Operations –Exhibit A, Attachment II
SCOPE OF WORK

The use of headings of titles throughout this exhibit is for convenience only and shall not be used to interpret or govern the meaning of any specific term, function, or activity.

Index for Scope of Work – Exhibit A, Attachment II

1.0 CUSTOMER SERVICE

1.1 OVERVIEW

The requirements contained in this Contract section shall govern all applicant/beneficiary informing and assistance functions as performed through the Telephone Call Center (TCC) operations, face-to-face presentations, and research functions. These activities encompass functional responsibilities for assisting applicants/beneficiaries in understanding, selecting and using managed care medical and dental plans, as well as receipt and resolution of applicant/beneficiary inquires and problems. Face-to-face presentations shall be available in most managed care counties, as determined by CDHS. All methods of assistance shall be provided in all threshold languages, as determined by CDHS.

The Contractor shall provide assistance to applicants/beneficiaries in understanding, selecting, and using managed care plans, and shall assure that this assistance is readily accessible to applicants, beneficiaries and their authorized representatives. This assistance shall emphasize beneficiary rights and responsibilities, including annual renotification, as managed care plan enrollees.

An important goal of the Health Care Options (HCO) Program is to provide every Medi-Cal applicant/beneficiary, who shall be required or is eligible to enroll in a medical and/or dental plan under the Medi-Cal managed care program, with the opportunity to receive a face-to-face presentation describing that individual's rights and enrollment choices as well as a fundamental introduction to the managed health care delivery system. The primary objective of the HCO presentation is to educate applicants/beneficiaries to make an informed plan choice. An effective education program ultimately increases the number of potential eligible enrollees who choose a plan prior to or during the informing process, thereby avoiding auto-assignment (default) to a plan. The Contractor may use Contractor staff to conduct the presentations while subcontracting with County Department of Public Social Services (DPSS) to provide space for the presentations, and/or it may subcontract with other organizations, such as community-based organizations (CBOs), to conduct and provide space for the presentations. However, the Contractor shall be responsible, no matter who conducts the presentation, for the quality, accuracy and timeliness of the presentations, and for ensuring that they are conducted in a manner that is meaningful to applicants/beneficiaries, with a goal aimed at maximizing beneficiaries' choice rates, thereby minimizing the enrollment default rate as well as increasing enrollment of the voluntary population.

Past experience has demonstrated that applicants/beneficiaries who attend presentations as part of the eligibility determination process, or soon thereafter, make a choice of health plan more frequently than those who do not. For this reason, the Contractor is encouraged to work directly with county DPSS departments to ensure that presentations can be conducted in close proximity to the locations of the face-to-face Medi-Cal eligibility interviews.

If an individual applies for Medi-Cal at a DPSS facility where HCO presentations are conducted on site, the eligibility worker has been requested to refer that individual to the HCO presentation. If an individual does not choose a health plan(s) after

attending an HCO presentation, whether it is because an HCO presentation was not offered at the time/date the individual was at the DPSS, or because they choose not to make a choice at the time of the HCO presentation, that individual shall be sent an appropriate informing packet when they are determined eligible.

The Contractor shall also be responsible for maintaining a Telephone Call Center (TCC) to provide customer assistance via staff trained to assist callers through the telephone. Telephone calls shall be of sufficient length to assure that accurate, timely and adequate information is gained from and/or imparted to the caller. The TCC staff shall be able to respond to callers in all threshold languages, as determined by CDHS. The TCC staff shall also be able to respond to callers through Telecommunications Devices for the Deaf (TDD) for the hearing-impaired at the time the applicant, beneficiary and/or their authorized representative places the call. The TCC must be operational 8 AM through 8 PM, Pacific Standard Time (PST), Monday through Friday, and 8 AM through 5 PM on Saturday, excluding State holidays. CDHS shall monitor the usage of the TCC Operations held on Saturdays, and work on Saturdays may be discontinued at CDHS's discretion. The Contractor shall be given thirty (30) calendar days written notice if it is determined to be in CDHS's best interest to no longer offer HCO TCC Operations on Saturdays. During non-business hours, the Contractor shall provide the capability for callers to leave voice messages and shall ensure that TCC staff place return telephone calls during the timeframe requirement listed below. Inquiries, complaints and/or grievances that are not resolved by the TCC staff on the date the call is received, or the date the return call is placed due to receipt of a voice message, shall be referred for further research, investigation and response to such issues, as further directed in this section.

1.2 OBJECTIVES

The Customer Service requirements described in this section shall:

A. Ensure that all applicants/beneficiaries are provided accurate, unbiased and current information regarding the health care options available in their geographical location to enable them to make informed health care choices.

B. Ensure website access to applicants, beneficiaries, potential enrollees and/or their authorized representatives, as well as State and Contractor staff, to obtain general HCO Program information, download informing materials and request assistance.

C. Ensure toll-free telephone access to TCC staff who are available to assist applicants, beneficiaries, potential enrollees and/or their authorized representatives with inquiries, complaints, choice form completion, etc., related to informing, enrolling and participation in the Medi-Cal managed care medical and dental programs.

D. Ensure through Education and Outreach that applicants/beneficiaries are provided with the opportunity to attend HCO face-to-face presentations provided by Enrollment Service Representatives (ESRs). The purpose of these presentations shall be to educate applicants/beneficiaries about their rights and

the health care options available to them and to assist them in completing HCO Choice Forms and/or other HCO forms.

E. Ensure applicants/beneficiaries are provided with assistance in resolving problems associated with mandatory and/or voluntary participation in the Medi-Cal managed care medical and dental programs.

1.3 ASSUMPTION AND CONSTRAINT

Any toll-free telephone line used by the Contractor for the purposes of the HCO Program shall be the wholly and completely owned property of CDHS.

1.4 TELEPHONE CALL CENTER

The TCC staff shall assist applicants/beneficiaries and/or their authorized representatives in understanding, selecting, and using managed care medical and dental plans. In addition, the TCC shall assist providers, health plans, and counties or other interested parties who request information regarding the HCO Program and/or Medi-Cal managed care.

In accordance with the Security and Confidentiality requirements in Exhibit A, Attachment II, Section 9, Security and Confidentiality, contained in this Contract, the Contractor shall comply with State and federal laws and regulations pertaining to confidential information, and shall provide access to such information only as authorized by law.

The Contractor shall provide the necessary equipment to operate and maintain all contractually required TCC functions as listed below. The Contractor shall:

A. Maintain a TCC operations program to include:

1. Sufficient toll-free telephone lines and all necessary telephone system infrastructure and support;

2. A call vectoring system;

3. A shared communication to MEDS that will allow callers to input their Medi-Cal eligibility identifying information into the telephone system before TCC staff answer the call. The information provided can either be routed to an automated MEDS lookup routine if the Contractor chooses to do so, or to the TCC staff, who will perform the lookup prior to answering the call;

B. Allow for an automated Interactive Integrated Voice Response (IVR) system that provides basic HCO Program and Medi-Cal managed care information. This information shall include, but not be limited to, basic enrollment and disenrollment data, basic exception to plan enrollment data, telephone service hours, MMCD Ombudsman and Dental Managed Care telephone numbers, State Fair Hearing telephone and address information, Programs' mailing address information, Choice Form completion data, ESR locations, Programs' fax numbers, etc. In addition, the IVR System or other appropriate technology will

allow the capability for the caller to request that a copy of the Choice Form and other program materials be faxed to the caller by entering in the fax number where the materials should be faxed, as long as the telephone number provided to the IVR System is capable of receiving faxes via a direct call form the Contractor's system. The process of faxing shall occur within five (5) minutes of the request, and shall document the type of materials faxed, the date requested and faxed, and the fax number transmitted to, note the request and transmission, and link it to the appropriate head of household beneficiary, if applicable.

C. Implement a Beneficiary Interaction Tracking (BIT) system that shall log, track, refer, and record resolution to applicant/beneficiary contacts within its operation. The contact types shall include telephone, Interactive Voice Response (IVR), integrated Predictive Dialer System (PDS), Automatic Call Distribution (ACD), ESR presentation visit, email and web-based interactions. The BIT system shall provide Contractor staff with a "single view" of encounters for an applicant/ beneficiary. Applicants/beneficiaries shall have the ability to access the system through a "ticket" which has multiple channels in order to receive assistance with their enrollment. The BIT system shall track the tickets from entry through final resolution. The BIT system shall have the ability to refer and/or escalate any customer service issue when appropriate. The BIT system will record and maintain at a minimum applicant/beneficiary identification, caller's language selection, caller's language designations on Choice Forms and/or Exemption/Waiver Request forms, nature of all inquires and/or issues, date and type of contact, status and resolution of each contact, and date of each resolution.

   The BIT system shall have the following capabilities:

   1. Automatically identify a caller's primary spoken language if the caller's telephone number is known by the system and is the telephone number from which the incoming call originates; the call shall be automatically routed to a customer service operator who speaks the caller's primary language without the caller being required to identify her/her spoken language, so long as the caller's primary language is one of the threshold languages as determined by CDHS, or is identified as hearing-impaired,

   2. Subject to CDHS's direction, track telephone numbers from callers whose calls were lost or abandoned and conduct a follow-up or return call to the telephone number generating the abandoned or lost call.

   3. Allow a caller the option of entering in his/her telephone number for a return call and maintaining the caller's place in the call distribution queue. The customer service operator's return call shall occur at the same time the caller would have been connected to a live operator had he/she actually been on hold. For the purpose of identifying performance standards incoming calls that result in a caller-initiated automated call back are not associated to the 'call abandonment' performance standards, but are associated to the 'voice mail calls returned' performance standards as specified later in this section of this Contract.

D. Use an integrated Predictive Dialer System (PDS) for outgoing calls made by the TCC. The Integrated PDS shall, at a minimum, have the capability to detect telephone answering machines and leave messages; detect and document disconnected telephone numbers; call back busy telephone number signals, redial telephone numbers at multiple times and at various times of the day and week; and automatically transfer calls to a live operator with pertinent data screens displayed for the TCC staff which highlights the purpose of the outgoing call.

E. Use an integrated Call Tracking Information System, a call recording process to record and index all TCC calls received or placed at any time, a call traffic management process, a staffing management system, and an operation that allows the caller's Medi-Cal eligibility records to be available at all times. The call recording shall index recordings by date and time of call, workstation identifier, and TCC staff identifier. The call tracking process shall include the following information, at a minimum: date and time of call, TCC staff identifier, workstation identifier, beneficiary Client Identification Number (CIN), beneficiary name, beneficiary county of residence, beneficiary aid code status (mandatory or voluntary), beneficiary plan enrollment status, reason for call (selected from an established list of categories), if help was given in completing a Choice Form, disposition of call (selected from a list of categories), and space for additional information. These processes shall, among other reasons, facilitate TCC quality assurance evaluations, thereby promoting effective customer service operations and ensuring that all applicable performance standards are met.

F. Ensure that enough trained and knowledgeable TCC staff are available to accurately and timely answer all callers' questions, in English and all threshold languages as determined by CDHS, and for those that are hearing – impaired, regarding the HCO Program and are able to resolve complex problems related to the HCO Program based on a solid knowledge of the regulations, policies, and procedures of the Medi-Cal managed care medical and dental programs. Contractor may contract for translation services for translating and responding to calls in all threshold languages.

G. Ensure that all recorded information is available in all threshold languages, as determined by CDHS, and available by teletype for the hearing-impaired.

H. Ensure the TCC is staffed with personnel trained to:

1. Answer HCO Program enrollment and disenrollment questions and status.

2. Answer HCO Program exception to enrollment questions and status.

3. Provide (through placing an order for or the like) HCO informing materials to applicants, beneficiaries and other interested parties as requested, and verbally through the IVR systems and on-hold messaging systems.

I. Shall maintain three (3) sets of State-approved, updated TCC reference manual and telephone script control binders or automated technology to provide this information. The information shall be maintained at each of the following

locations: The Contractor's main operating facility, telephone supervisors' desks, and CDHS HCO Office. A control list of all current reference materials shall be kept in each binder or automated technology. The Contractor shall update the material in all control binders or automated technology within one (1) business day following receipt of CDHS's written approval of the changes to that material.

J. Ensure that TCC staff contact mandatory beneficiaries who have not returned an accurate and complete Choice Form within ten (10) calendar days from mailing of the Intent to Assign letter and informing materials packet. TCC staff shall assist these beneficiaries with several items:

1. Understanding their health care options;

2. Providing instructions for completing the Choice Form and returning it to the Contractor, through the normal mail system, or faxing or emailing the form to the Contractor's main operating facility; or

3. Completing the Choice Form per the caller's directions and mailing the completed Choice Form to the caller for their original signature only and the beneficiary following up by mailing the original form to the Contractor. (If the Contractor intends to use automated operations, see Exhibit A, Attachment II, Section 11, Health Plan Enrollment System)

The TCC staff shall also provide presentation site information and information regarding the consequences of not actively choosing a health plan(s). The TCC staff shall attempt no less than five (5) telephone calls to the beneficiary in question, seeking the beneficiary to submit their completed Choice Form to the Contractor, or to complete the Choice Form for the beneficiary based on the information gathered during the telephone call and to send it to the beneficiary for signature. One (1) of the five (5) telephone calls shall be placed during the evening or on a Saturday, if necessary.

K. Ensure that TCC staff answer questions and resolve issues in a manner that meets or exceeds the requirements and standards appearing in CDHS TCC Policies and Procedures Manual.

L. Ensure that the TCC staff are available to answer telephone calls during the times and days stated above, unless stated otherwise in this section.

M. Ensure that during non-business hours callers have the capability to leave voice mail messages. Voice mail messages shall be returned within one (1) business day.

N. Ensure that a Telecommunications Device for the Deaf (TDD) telephone line is made available at all times to provide services to hearing-impaired callers.

O. Ensure that the TCC telephone system, the BIT System, PDS, Call Tracking Information System and its related functions, do not experience unscheduled downtime that exceeds one-half hour per week on average for any given month,

per system. In the event any of the above systems experience unscheduled downtime, the Contractor shall:

1. Notify an on-duty State HCO Program manager, either by telephone or in an in-person meeting, of any unscheduled downtime affecting the applicant/beneficiary toll-free telephone lines, BIT system and/or Call Traffic Information System within one (1) hour of the incident, or as soon as the Contractor is aware of the interruption. This notification is to be followed by written documentation, using either the Problem Correction System (for problems over which the Contractor has control), or the Incident Reporting System (for incidents over which the Contractor has no control). As soon as the cause and projected duration of the unplanned interruption is known, the Contractor shall provide that information within one (1) hour, either by telephone or in an in-person meeting to an on-duty State HCO Program manager. CDHS will provide the Contractor with a list of State HCO Program managers to be notified following a service interruption(s).

2. Within twenty-four (24) hours of reactivating the affected system following completion of repairs, notify an on-duty State HCO Program manager in writing of the actual cause, all areas impacted, the measures taken to correct the problem or incident and what additional measures have been put into place to prevent the problem or incident from recurring. Complete either a Problem Statement or Incident Report form with this information.

3. Notify affected Contractor staff and an on-duty State HCO Program manager via e-mail of any planned system interruption, shutdown, or file non-access, at least three (3) business days prior to the scheduled interruption, and obtain written State approval of such scheduled interruption prior to implementing the shutdown.

4. Document, at a minimum, the date, time and duration of all downtime occurrences in the appropriate status reports on a daily and weekly basis. The same documentation shall be provided on a monthly basis but shall also include descriptions of the problem or incident's resolution and a Corrective Action Plan to prevent recurrences.

P. Ensure that all calls are answered within three (3) rings (a call pick-up system that places the call in a queue may be used).

Q. Ensure that no more than one call per TCC staff is in queue at any one time;

R. Ensure that hold time (the time callers spend on TCC staff-initiated hold) shall not exceed one (1) minute per call without the expressed consent of the caller. Average hold times overall for calls shall not exceed two (2) minutes. Rather than extend hold times beyond two (2) minutes, TCC staff shall arrange to call the caller back.

S. Ensure a process to track 'hold', 'in queue', and 'actual call minutes spent with callers', for each call received and/or placed by the TCC staff, each in separate categories in daily, weekly and monthly reports.

T. Ensure that combined in-queue and hold time does not exceed six (6) minutes per call when averaged over all calls in the reporting period. In-queue time begins when the IVR system finishes delivering the greeting message and ends when a TCC staff or voice mail answers the call.

U. Ensure that callers, after three (3) minutes in-queue, shall have the option to either leave a voice mail or continue to stay in-queue. Calls that have been in-queue for five (5) minutes shall be directed to voice mail;

V. Ensure that the average weekly referral to voice mail shall be no more than two percent (2%) if the call volume for that week falls below 25,000. If the call volume for that week exceeds 24,999, then the average weekly referral to voice mail shall be no more than five percent (5%);

W. Return all recorded voice mail messages left during business hours are returned the same business day as received. Return all recorded voice mail messages left during non-business hours within one (1) business day;

X. Ensure that the average weekly abandonment rate for all languages shall be no more than five percent (5%) if the call volume for that week falls below 25,000. If the call volume for that week exceeds 24,999, then the average weekly abandonment rate for all languages shall be no more than seven percent (7%). A call shall be considered abandoned when a caller chooses to disconnect after hearing the IVR system greeting and spending twenty (20) seconds or more in-queue without being connected to a TCC staff;

Y. Ensure that the average weekly number of incoming calls that are blocked (calls receiving a busy signal) shall be no more than five percent (5%) if the call volume for that week falls below 25,000. If the call volume for that week exceeds 24,999, then the average weekly number of incoming calls that are blocked shall be no more than seven percent (7%).

Z. Implement the use of temporary phone messages during un-scheduled telephone downtime within two (2) minutes of the interruption.

AA. Implement all State requests for TCC temporary phone messages within twenty-four (24) hours of the request. TCC phone messages shall be implemented during all State holidays and during non-business hours.

BB. Provide CDHS with the necessary access to monitor all live and recorded incoming and outgoing TCC calls. Provide two (2) telephone lines with the capability to monitor live calls and listen to recorded calls. Locations for these lines shall be determined by CDHS. CDHS shall also have access to the Contractor's call tracking and call recording systems from designated workstations on CDHS's internal network.

CC. Provide CDHS with unrestricted read-only access to all calls recorded by the Contractor, as well as to all records in the BIT and Call Tracking Information System.

1.5 EDUCATION AND OUTREACH

Every Medi-Cal applicant/beneficiary, who is eligible to enroll in a Medi-Cal Managed Care medical and/or dental plan, shall have the opportunity to attend an HCO face-to-face presentation describing that individual's rights and responsibilities and their health care enrollment choices. An effective education and outreach program ultimately increases the number of eligible and potentially eligible enrollees who choose a plan prior to or during the informing process, thereby reducing packet mailings and auto-assignments (defaults) to health plans.

The Contractor shall:

A. Use Contractor ESR to conduct the HCO presentations, unless the use of other personnel (such as staff supplied by a subcontractor) is approved by CDHS. The Contractor shall enter into a Memorandum of Understandings (MOUs) with DPSS or CBOs to provide space for these presentations.

B. Employ beneficiary evaluations, reports, and ESR monitoring to ensure the quality, accuracy and timeliness of the HCO presentations.

C. Ensure HCO presentations are conducted in a manner that is meaningful to applicants/beneficiaries as evidenced by the successful response rates documented in the ESR Observation/Evaluation tools, as required in the ESR Observation/Evaluation Tool section below.

D. Ensure all presentations are written and delivered so as to further the Education and Outreach goal of maximizing beneficiary health plan choice rates.

E. Work directly with the DPSS facilities to ensure that presentations are conducted in close proximity to the locations of the face-to-face Medi-Cal eligibility interviews.

The Contractor shall make all necessary arrangements to conduct HCO presentations. These arrangements shall include, but shall not be limited to, the requirements as stated in the sections below.

1.5.1 PRESENTATION SITES

The goal of the Presentation Site selection process is to identify and secure sites that ensure the highest attendance rates for all cultural and linguistic groups of Medi-Cal applicants/beneficiaries.

1.5.1.1 PRESENTATION SITE SPACE AND STAFFING PLAN

Three (3) months prior to Assumption of Operations, the Contractor shall submit for State review and approval a Presentation Site Space And Staffing Plan specifically designed to meet the goal of securing sites that are likely to produce the highest attendance rates for all cultural and linguistic groups and Medi-Cal applicant/beneficiaries. This plan shall provide for the following:

A. An analysis of the distribution of Medi-Cal applicants/beneficiaries, by threshold language, in each managed care county. This analysis shall be at the zip code level, unless the Contractor is able to achieve even finer resolution. This analysis shall be performed using a geographic information system (GIS) application, unless the Contractor can propose (and CDHS approves) the use of another application.

B. Presentation Site specifications:

1. Minimum space requirements;

2. Access;

3. Availability of public transportation;

4. Parking;

5. Safety;

6. Furniture and equipment needs, including telephones and secure storage;

7. Proximity to concentrations of Medi-Cal applicants/beneficiaries;

8. Potential of local labor market to supply ESR with the requisite skills (including threshold language fluency); and

9. Other specifications deemed necessary by the Contractor and/or CDHS.

10. Confidential location within the site.

C. A strategy for contacting, forming alliances with, and working with advocacy groups, CBOs, and County DPSS staff to secure Presentation Sites, and to develop other opportunities for informing and educating applicants/beneficiaries.

D. The contractor has a responsibility to maintain cooperative relationships with County Social Services Agencies and specific social services sites. Contractor will develop strategies and form agreements to maximize the number of referrals to ESR thereby, achieving the ultimate goal of mandatory attendance at an informing presentation and completion of the Choice Form.

E. The drafting of a template Memorandum of Understanding (MOU) between the Contractor and the entities who donate space to the Contractor to use as Presentation Sites. This MOU shall thoroughly describe all aspects of the use agreement between the two parties (access arrangements, use of furniture and office equipment, liability, etc.).

F. A site staffing plan, based on the results of the required beneficiary distribution analysis described above. This plan shall estimate:

1. The number of applicants and eligibles likely to use the site. Unless CDHS

approves an alternative estimation procedure, this shall be based upon an estimate of the size of the typical site service area. If the Contractor determines, for example, that a typical site in an urban area will service beneficiaries within a 20-mile radius of the site, the Contractor will estimate the number of beneficiaries who reside within a 20-mile radius of the site in question. This estimate shall group the beneficiary estimate by threshold language.

2. The expected number of presentations and customer service sessions to be held per month at the site. A customer service session is a meeting with a beneficiary in which a full presentation is not provided. These are usually held in order to answer specific beneficiary questions, or to help a beneficiary complete an enrollment form. Unless CDHS approves an alternative estimation procedure, the presentation/customer service estimate shall be based upon an estimate of the number of presentations a given population of beneficiaries typically generates. If the Contractor determines, for example, that 10 presentations per month are generated for each 1,000 beneficiaries, that ratio would be applied to the beneficiary population in the site's service area. This estimate shall group the presentation estimate by presentation threshold language (the threshold language in which presentations must be given).

3. The estimated number of ESR and ESR supervisors necessary to meet the estimated demand for presentations and customer service sessions. This estimate shall take into consideration all opportunities for sharing ESR among presentation sites.

G. Staffing levels at each presentation site shall be sufficient to meet the demand for presentations and customer service sessions, or to meet CDHS's ESR Full Time Employee (FTE) limit, if one has been established. Unless CDHS has placed a limit on the number of FTEs allowable in a given area, no requests for presentations shall go unfulfilled.

H. Other considerations deemed necessary or relevant by the Contractor or CDHS.

1.5.1.2 PRESENTATION SITE SPACE AND STAFFING PLAN IMPLEMENTATION

A. Once CDHS has approved the Presentation Site Space and Staffing Plan, the plan shall guide the Presentation Site identification and establishment process.

B. During the Operations phase of this Contract, the Contractor shall continue to maintain and update the plan, adding or deleting sites as appropriate to ensure that the goal of identifying and securing sites that ensure the highest attendance rates for all cultural and linguistic groups of Medi-Cal applicants/beneficiaries is achieved. The Contractor is encouraged to hold presentations at County DPSS facilities wherever possible. The Contractor shall make a proactive effort to work with advocacy groups, CBOs and County DPSS offices to determine appropriate Presentation Sites on an ongoing basis. All proposed changes to the plan shall:

1. Identify new Presentation Sites and/or sites to be closed;

2. Estimate the site staffing impacts of the proposed plan change; all staffing estimates shall examine ESR staffing needs by threshold language requirements.

3. Provide a narrative justification for the site proposed change(s);

4. Provide an analysis of the cost-effectiveness of the proposed change(s), based on site productivity expectations for the new site and/or the site targeted for closure;

5. For a new site, provide either evidence that space has been obtained, or a plan and a time frame for obtaining the space.

C. The Contractor shall execute an MOU for each facility to be used as a Presentation Site.

D. In keeping with the approved plan, the Contractor shall consider space and geographic limitations, including convenience of the site to applicants/beneficiaries in terms of transportation, parking and access.

E. For new Presentation Sites, the Contractor shall conduct a site evaluation prior to requesting State approval. To obtain approval the Contractor shall:

1. Submit a site evaluation and any other documentation necessary to determine the appropriateness of the proposed site. Sites shall be evaluated by the criteria developed in the space plan; and

2. Submit a written request for site approval to CDHS thirty (30) business days prior to its proposed use (unless special circumstances preclude a thirty (30) business day submittal and CDHS approves an alternative timeframe).

F. Unless CDHS has placed a limit on the number of FTEs allowable, sites shall be sufficiently staffed to ensure that all demand for presentations and customer service sessions is met.

G. On an ongoing basis, the Contractor shall provide or arrange to obtain appropriate furniture, equipment, office supplies, electrical outlets and electronic communication devices where HCO presentations may occur. Presentation Sites should be equipped with telephones. Telefacsimile equipment (a fax machine) and Internet connectivity is desirable, but is not required.

H. CDHS, at its discretion, may also require the Contractor to provide its ESR with business cards listing the ESR phone number, for distribution to applicants/beneficiaries.

1.5.2 SCHEDULING PRESENTATIONS

The Contractor shall schedule group and individual HCO presentations at various locations within counties to ensure that presentations are available to applicants/

beneficiaries during their Medi-Cal application and eligibility determination processes, and/or their enrollment choice period (following receipt of an HCO Program informing packet).

A. On a monthly basis, the Contractor shall submit to CDHS the proposed HCO presentation schedules for the next month. Presentation schedules shall be:

   1. Submitted no later than the tenth (10) calendar day of the month preceding the month in which the presentations are to occur (e.g., January 10 for the February schedule);

   2. Approved by CDHS prior to implementation;

   3. County specific and contain dates, times, language availability, and addresses for all sites where presentations are available within each county; and

   4. Delivered to every active Presentation Site no later than three (3) business days prior to the month to which the schedule applies.

B. The Contractor shall create and maintain presentation schedules in binders for the use of State staff. The presentation schedule binder shall be maintained at a location specified by CDHS. The Contractor shall update this binder within three (3) business days of receipt of the most current approved and printed presentation schedule.

C. The Contractor shall mail State-approved presentation schedules to Presentation Sites, health plans, advocate groups, and CBOs on a monthly basis, as specified by CDHS.

D. The Contractor shall conduct all scheduled presentations and shall not revise the presentation schedules without prior approval from CDHS.

E. The Contractor shall develop a plan for back-up coverage to address staff absence, as well as increased enrollment activity, and shall ensure that back-up personnel are provided so there is no disruption in HCO presentations. If, for any reason, the Contractor cannot conduct a scheduled presentation, the Contractor shall:

   1. Inform its TCC staff within one (1) hour;

   2. Inform CDHS of the scheduled change; and

   3. Notify the Site Administration (i.e. County DPSS and CBO's) of the change.

F. The Contractor shall notify CDHS through an electronic fast alert process within one (1) hour of the time the Contractor learns that any presentation did not or will not take place. The Contractor shall inform CDHS of this failure in writing within three (3) business days of the electronic notification, and shall include a Problem Statement. (See Exhibit A, Attachment II, Section 5.5.1, Problem Correction

Operation)

1.5.3 PRESENTATION MATERIALS

In cooperation with CDHS, and counties in which presentations are conducted, the Contractor shall:

A. Develop the necessary procedures and forms to enable County DPSS and CBO's staff to easily refer applicants/beneficiaries to HCO presentations. These shall include, but are not limited to, referral forms and procedures, signage, and easily understood maps and/or printed directions to presentation sites.

B. Furnish all necessary resources for effective presentations, including but not limited to supplies, audio-visual equipment and visual aids.

C. Ensure that the most current State approved informing packets and other appropriate materials are available for distribution at each presentation site. Materials shall be distributed to the appropriate Presentation Sites within ten (10) business days of the date the Contractor receives the approved printed material.

D. Submit to CDHS for review and approval all proposed procedures, materials and forms used for HCO referrals and presentations. These materials shall be submitted at least sixty (60) calendar days prior to their proposed implementation and distribution, unless otherwise directed by CDHS.

1.5.4 PRESENTATION MONITORING

All presentations shall be open to authorized federal, State, and county personnel. All presentations and Presentation Sites are subject to State staff evaluation, with or without prior notification to the Contractor, and CDHS retains the authority to notify the Contractor of any deficiencies. Within ten (10) business days of receipt of this notification, the Contractor shall demonstrate that reported deficiencies have been corrected and shall submit a Problem Statement (See Exhibit A, Attachment II, Section 5.5.1, Problem Correction Operation) for each uncorrected deficiency to CDHS.

1.5.4.1 ATTENDEE FEEDBACK EVALUATION TOOL

During Takeover, the Contractor shall develop an Attendee Feedback Evaluation tool to assess applicant/beneficiary satisfaction with each HCO presentation. The Contractor shall submit the evaluation tool to CDHS for written approval before use. The Contractor shall:

A. Make the approved tool available at each Presentation Site to enable applicants/beneficiaries and other attendees to evaluate the presentation in a confidential manner;

B. Maintain copies of completed evaluations for six (6) months, filed by county, by Presentation Site, and by date. The Contractor shall retain these copies at its central operating facility, and make available to CDHS upon request;

C. Provide a quarterly report on the evaluation findings.

1.5.4.2 ESR AND ENROLLMENT REPRESENTATIVE OBSERVATION/EVALUATION TOOL

During Takeover, the Contractor shall develop an ESR Observation/Evaluation tool to be utilized by each ESR supervisor who shall monitor and evaluate one presentation per ESR at least once per month for ESR with less than one year's experience and quarterly for those with more than one year's experience. The Observation/Evaluation tool shall be submitted to CDHS for written approval before use.

A. The approved tool shall include, but not be limited to:

1. Presentation/public speaking skill;

2. Knowledge of the Medi-Cal managed care and the HCO Program;

3. Ability to communicate in the culture and language of the attendee;

4. Presentation content and delivery, including audience appropriateness of the presentation; and

5. The ESR skill in performing outreach at their sites to increase presentation attendance.

B. If the Contractor's ESR supervisor observes a problem with a specific ESR presentation, the supervisor shall submit a Problem Statement, and monitor the ESR performance no less often than weekly until corrective action has been taken and the problem has been resolved.

C. The Contractor shall maintain a 95% positive response rate for all ESRs Observation/Evaluation tools received each month.

1.5.4.3 RETENTION/MODIFICATION OF EVALUATION TOOLS

A. The Contractor shall maintain copies of the completed Attendee Feedback Evaluation tool and the ESR Observation/Evaluation tool for six (6) months, filed by county, ESR and month of observation/evaluation. The Contractor shall retain these forms at its central operating facility, and shall provide a monthly report summarizing each ESR evaluation and performance.

B. If the Contractor wishes to modify the Attendee Feedback Evaluation and/or ESR Observation/Evaluation tool, the proposed modifications must be submitted to CDHS for written approval. Changes shall only be implemented following State approval.

1.5.5 PRESENTATION SITE MONITORING

A. The Contractor shall monitor and evaluate the effectiveness of each Presentation Site on a quarterly basis and shall report monthly on each site monitored.

B. The Contractor shall adhere to the Presentation Site productivity standard established by CDHS to determine if a site is underutilized by applicants/beneficiaries. This productivity standard shall be subject to periodic review and revision by CDHS.

C. In an effort to increase Presentation Site productivity, the Contractor shall evaluate and consider adjusting times and dates of ESR coverage, and language availability,

D. The Contractor shall recommend to CDHS site closure if, in applying the presentation site productivity standard, a site is determined to be underutilized. Upon State approval of a recommended site closure, the closure shall be reflected in the monthly presentation schedule submitted in accordance with above Section 1.4.1.2, Presentation Site Space and Staffing Plan Implementation.

E. If CDHS determines that a site is underutilized and/or unproductive, it shall notify the Contractor of that finding in writing. Within thirty (30) business days of receiving such notification, the Contractor shall discontinue using the specified site.

F. CDHS reserves the right to close a Presentation Site for reasons other than underutilization.

1.5.6 PRESENTATION STAFFING REQUIREMENTS

ESRs assigned to conduct presentations shall, at a minimum:

A. Speak, read, and write English fluently and be capable of being easily understood;

B. Have presentation and/or public speaking experience (teaching, marketing, community outreach and education, or public relations experience is desirable);

C. Have experience working with low-income and diverse populations;

D. Speak, read and write in any threshold language at a level readily understandable by the applicants/beneficiaries to whom they are providing service; and

E. Be capable of presenting the required information and materials interactively and in a culturally and linguistically competent manner that readily lends itself to comprehension and retention by the beneficiaries being served.

1.5.6.1 PRESENTATION STAFFING LEVELS

The Presentation staffing levels, including ESRs permissible under the bid rates of this Contract range from seventy (70) to one hundred thirty (130) full time equivalents (FTEs).

The ESR staffing levels in effect at the beginning of the Contract term will:

A. Be established by CDHS two (2) months after the Contract Effective Date.

B. Specify the required percentages of bilingual ESRs, by threshold language; and

C. Be reviewed periodically throughout the life of the Contract. CDHS may revise, with the Contractor's assistance, the maximum number of ESR FTEs by county. This maximum staffing level determination will be based on factors including, but not limited to the:

   1. Number and location of presentation sites;

   2. Number of potential beneficiaries attending presentations;

   3. Length of presentation.

D. If CDHS instructs the Contractor to decrease the number of ESRs in a county, the Contractor shall have forty-five (45) calendar days to implement that decrease. Following a request by CDHS to increase the number of ESRs in a county, the Contractor shall have up to sixty (60) calendar days to achieve that increase, unless otherwise directed by CDHS.

1.5.6.2 PRESENTATION SUPERVISION

The ratio of ESR supervisors to FTE ESR positions shall be no less than 1:8 (eight ESR FTEs to every one ESR supervisor). The Contractor shall, at a minimum, employ one (1) Statewide Field Operations Manager, one (1) Regional Manager in Northern California, one (1) Regional Manager in Central California and one (1) Regional Manager in Southern California.

1.5.6.3 ESR ADMINISTRATIVE SUPPORT

The Contractor shall provide, at a minimum, a regional ESR headquarters facility (home office) in Southern, Central, and Northern California. These offices shall serve as a base for ESRs working in the region.

1.5.6.4 PROHIBITION ON OTHER DUTIES

Without written authorization from CDHS, the Contractor shall not require ESRs or ESR supervisors to perform any functions under the terms of this Contract, except those specified in Exhibit A, Attachment II, Section 1- Customer Service.

1.5.7 CONDUCTING HCO PRESENTATIONS

A. The Contractor shall conduct HCO presentations for beneficiaries with mandatory and voluntary aid codes, and for Medi-Cal applicants whose eligibility status has not yet been determined. In addition, the Contractor shall assist any person who

does not attend a presentation, but who has questions about Medi-Cal managed care, or Medi-Cal managed care enrollment. The assistance provided can consist of specific information, which ESRs are permitted to provide, and/or referrals to other information sources such as county eligibility workers.

B. The Contractor shall adapt the presentations to each County DPSS intake application process, and to the re-determination process in counties where fee-for-service is an option.

C. The Contractor shall assign ESRs to conduct presentations using State approved scripts and materials, in a manner that accommodates county intake schedules, policies and procedures, and/or arrangements agreed to among the Contractor, the county, and CDHS.

D. The Contractor shall conduct presentations in all Two-Plan Model, Geographic Managed Care (GMC) and voluntary enrollment counties, as specified by CDHS.

E. All HCO presentations shall be conducted in a manner that is interactive, consistent, effective, and culturally and linguistically competent. Presentation content and delivery shall be designed to make the information presented as meaningful as possible to Medi-Cal applicants/beneficiaries. Presentations shall:

1. Be given by ESRs who are knowledgeable about Medi-Cal and Medi-Cal managed care, and who are capable of presenting in a manner that maximizes comprehension and retention by the applicants/beneficiaries being served;

2. Follow the HCO presentation scripts, without reading or reciting them verbatim;

3. Make effective use of electronic audio and visual communication media such as videos, overheads, computer presentations, and recordings when such enhancements have been approved by CDHS; and

4. Employ other presentation enhancements, as approved by CDHS.

F. The Contractor shall maintain Presentation Sites and conduct presentations in the HCO Program counties. Over the course of this Contract, however, the number of counties in which the Contractor may be required to maintain Presentation Sites and to conduct presentations could decrease or increase, as determined by CDHS. If presentations are to be discontinued in any existing managed care counties or implemented in any new managed care counties, CDHS shall provide the Contractor with written notification of the change a minimum of sixty (60) calendar days before presentations are to begin or forty-five (45) calendar days before presentations are to end, unless otherwise directed by CDHS.

G. The Contractor shall provide presentations according to CDHS's specifications, using scripts and/or visual aids approved by CDHS. The HCO presentation shall include, but shall not be limited to:

1. Information designed to help applicants/beneficiaries understand how to complete a Choice Form and the ESR assistance with form completion;

2. A description of the full range of the Medi-Cal health care options available to each beneficiary. The emphasis shall be placed on the available managed care options and their benefits;

3. A description of the services covered under the Medi-Cal program;

4. A description of all available managed care plans in the areas where applicants/beneficiaries reside, and the area, by zip code, each plan serves;

5. A description of the applicant/beneficiary's enrollment and disenrollment rights and responsibilities;

6. Responses to questions from applicants/beneficiaries concerning the health care options available to them; and

7. A description, as directed by CDHS, of other available services (e.g., Healthy Families).

H. The Contractor shall maintain comprehensive presentation attendance records. The identities of all attendees shall be recorded and monthly summary reports on presentation attendance submitted to CDHS. During Takeover, CDHS, with the Contractor's assistance, shall specify which data is to be collected and how it is to be reported.

I. The Contractor shall provide presentations in the threshold languages approved by CDHS. The approved threshold language list is subject to periodic revision by CDHS. Language thresholds are established at the county level. The Contractor shall provide presentations in English and in all non-English languages that meet county thresholds language standards.

J. ESRs shall assist hearing and/or visually impaired applicants/beneficiaries to understand their health care options.

K. CDHS may require the Contractor to alter HCO presentation scripts periodically, but no more than three (3) times annually, by county. If CDHS requests a change to a script, the Contractor shall make the required modifications and submit the modified script to CDHS no later than seven (7) business days from the date of CDHS's request, or as otherwise instructed by CDHS.

L. The Contractor shall explore the feasibility of subcontracting with culturally appropriate agencies or programs to perform education, outreach and enrollment functions. These Request For Proposals (RFPs)/Request For Applications (RFAs) would demand innovative strategies to increase enrollments. All such subcontract shall be reviewed and approved by CDHS, in writing, prior to implementing the subcontract. The subcontractor would be paid via a flat rate, as opposed to a per-enrollment fee.

M. Choice Forms completed accurately and signed by applicants/beneficiaries shall be collected daily, scanned into the Contractor's computer system and securely emailed to the Contractor's main operating facility. The original Choice Form shall be shipped to the Contractor's main operating facility, in the timeframe required by this Contract, using a secure, traceable shipping mode (e.g. Registered Mail). Forms transmitted from Presentation Sites in this manner are to be processed and filed in accordance with the provisions found in Exhibit A, Attachment II, Section 3.4, Choice Form Processing.

N. At sites where ESR receive written referrals from DPSS and CBO personnel which include client telephone numbers, the ESR shall contact clients, via the telephone within two (2) business days of receipt of the referral information, who fail to attend a presentation and/or complete a Choice Form.

1.5.8 OUTREACH AND ENROLLMENT ASSISTANCE SESSIONS

The Contractor shall be responsible for the following outreach and enrollment assistance activities:

A. Consistent with paragraph B. below, the Contractor shall submit to CDHS for approval the locations for outreach and enrollment assistance sessions, such as regional centers, senior service centers, community centers, community meetings, health fairs, Women, Infants and Children (WIC) nutrition sites, churches, festivals and events sponsored by CBOs. The Contractor is encouraged to seek approval (as specified below) to attend any and all events that are likely to be attended by potential Medi-Cal managed care enrollees, regardless of whether those events occur during normal business hours.

B. The Contractor shall submit to CDHS for prior approval, a monthly outreach event schedule of all outreach sessions it proposes to attend. This schedule shall be submitted on the tenth (10th) calendar day of the month preceding the proposed outreach sessions. The Contractor may request expedited approval to attend outreach events that were not included in the approved monthly outreach event schedule. An example of an outreach session that would require an expedited approval would be late notification to the Contractor by organizers of an event. At a minimum, all monthly outreach event schedules and requests shall include:

1. The name of the ESR or other Contractor representative who will be attending the event;

2. The organization sponsoring the event and the general purpose of the event (e.g., Women's Health Week);

3. The location of the event;

4. The date and time of the event; and

5. The anticipated number of applicants/beneficiaries attending, if known.

C. At CDHS's direction, the Contractor shall attend special events or forums identified by CDHS.

D. The Contractor shall prepare an interview guide for use by ESRs and other Contractor representatives conducting outreach and enrollment assistance sessions.

E. The Contractor shall submit the interview guide to CDHS for approval prior to use by the ESRs and other Contractor representatives for outreach and enrollment assistance sessions.

F. The Contractor shall report to CDHS outreach enrollment activity data monthly.

1.6 RESEARCH

The Contractor shall conduct research to investigate complaints and/or grievances associated with mandatory and/or voluntary participation in the HCO Program that are raised by applicants, beneficiaries and other interested parties either in writing, by telephone or in person, or who have been referred by the TCC staff, ESRs and/or CDHS.

The Contractor shall:

A. Ensure that beneficiaries and/or their authorized representatives have the ability to request information on how to file a complaint/grievance against their health plan(s) via the toll-free telephone number or by written communication. Complaints received by CDHS may be referred to the Contractor for research and resolution;

B. Immediately forward to the CDHS any complaint or grievance that may pose a serious and immediate threat to a beneficiary's health and welfare.

C. Forward any complaints about the Contractor's HCO Operations to on-site CDHS Contract administration staff, as determined by CDHS. Subsequent action on such complaints shall be determined by CDHS. The complaint/grievance requirements that follow shall not apply to complaints about the Contractor's HCO Operations.

D. Ensure all complaint and grievance procedures are initiated within three (3) business days of receipt or, if not the responsibility of the Contractor, referred to the proper entity for resolution. Complaints and grievances to be resolved by the Contractor will be completed within thirty (30) days of receipt.

E. Ensure that the identity of those submitting complaints is protected unless the complainant provides written approval to reveal his or her identity. If the person submitting the complaint, or that person's representative, requests anonymity, that request shall be honored. The person submitting the complaint or that person's representative shall be informed, however, that anonymity cannot be

guaranteed if CDHS, or other duly authorized federal or State entity, accesses the Contractor's records;

F. Conduct an investigation and complaint resolution. Ensure all involved parties are contacted to ascertain relevant facts;

G. For each issue that the Contractor staff can resolve without outside assistance:

1. Provide the necessary assistance and/or information to the complainant within three (3) business days of initiation of complaint and/or grievance procedures; and

2. Within ten (10) business days of resolution of the matter, issue to the complainant written documentation of the specifics of the issue, to include, but not be limited to:

a. A summary of the problem; and

b. A description of the resolution reached.

H. For each issue that the Contractor cannot resolve without outside assistance, formally refer to the appropriate outside entity as directed below, for investigation and resolution.

1. If the problem is associated with eligibility:

a. Refer the complainant to their DPSS office; and

b. Ensure that the complainant is informed of their right to request a hearing. If the complainant requests information about the hearing process, refer the complainant to the California Department of Social Services (DSS) State Fair Hearing Division.

2. If the complainant is a member of a health plan(s) and the problem is associated with use of a health plan(s):

a. Refer the complaint to the appropriate health plan(s) member services;

b. Ensure that the complainant is informed of their right to request a hearing. If the complainant requests information about the hearing process, refer the complainant to the California Department of Social Services (DSS) State Fair Hearing Division;

3. If the health plan(s) fails to provide a resolution to the satisfaction of the complainant, refer the complainant's request to CDHS MMCD Ombudsman Unit (for medical plan issues), to CDHS Medi-Cal Dental Services Branch (MDSB) (for dental plan issues), or CDHS Department of Managed Health Care (DMHC);

I. For each beneficiary complaint/grievance issue referred by CDHS to the

Contractor, the Contractor shall provide a written response to CDHS within ten (10) business days of receipt of the referral. The response shall include, but is not limited to:

1. The date of the original request;

2. A description of the original issue;

3. The current status of the issue; and

4. The findings, resolution and/or recommendation.

J. Create an incident report form for all complaints and grievances received and make all incident reports available to CDHS, upon request. The incident reports shall be summarized in a log, which shall be provided to CDHS on a monthly basis as required below. The incident report shall include, but not be limited to, the following:

1. Date complaint and/or grievance was received. Whether received in writing, by telephone, in person, or from a State entity;

2. Complainant's name, address, phone number, beneficiary identification number, and name, address and telephone number of authorized representative, if applicable;

3. Log number of the complaint;

4. Name of involved health plan(s) if complaint involved enrollment issues by a particular plan(s);

5. Related complaints and their log numbers (related by the fact that the same person has another complaint(s), the complaint is about the same plan(s), etc.);

6. Nature of the complaint;

7. Actions taken to research, resolve and respond to the complaint; actions are to be listed chronologically, by date;

8. If applicable, name and date the complainant was referred to the MMCD Ombudsman Unit, to the MDSB, or to the DMHC;

9. A description of the resolution and the date on which resolution was achieved; and

10. Date of complaint or authorized representative was notified of the resolution.

K. Provide translation services to all complainants, the MMCD Ombudsman Unit, MDSB, and DMHC for complaints and grievances received, as requested by CDHS;

L. Secure information transmission links between the MMCD Ombudsman Unit, MDSB and other State offices as requested by CDHS;

M. Contractor shall Submit a Problem Statement for each issue identified as the result of a complaint/grievance and which indicates the need for a procedure or operational change on the part of the Contractor; and

N. Retain the resulting complaint and grievance records for a period of five (5) years from the initiation of the issue, or for the term of the Contract, whichever is longer, and make available all such records to CDHS or duly authorized State and/or federal representatives upon request.

O. The Contractor shall provide CDHS staff with a designated contact who will be responsible to resolve issues/problems for beneficiaries or other entities that have contacted CDHS directly.

1.7 WEB SITE

The Contractor shall produce and maintain, with the approval of CDHS, a site on the World Wide Web that provides general HCO Program information and answers to frequently asked questions. This website shall provide the ability for applicants, beneficiaries and their authorized representatives to perform health plan and provider searches and to request enrollment assistance from the Contractor, in both English and Spanish language translations. CDHS retains the right to instruct the Contractor to translate the website into other threshold languages, as directed by CDHS.

The Contractor shall:

A. Review and update the website to assure that site content is current and accurate at all times. All out-of-date and/or inaccurate information shall be corrected within three (3) business days of notification by CDHS.

B. If requested by CDHS, create links to MMCD participating plan's websites to the HCO Program website.

C. Make the website available seven (7) days per week, twenty-two (22) hours per day. The maximum unscheduled downtime for this interface shall be one-half (1/2) hour per week.

The site content and Universal Resource Locator used by the Contractor for the programs are the property of CDHS. The site application programs are the wholly and completely owned property of CDHS, unless the application programs are third party proprietary software.

1.8 PROVIDER INFORMATION NETWORK (PIN)

The Contractor shall maintain an electronic database, to be known as the Provider Information Network (PIN). The database shall include all managed care health

plans and their providers that are contracted with the Medi-Cal Managed Care program. The purpose of the PIN is to provide beneficiaries with health plan and provider information. The PIN database shall be able to generate all plan and provider listings by medical specialty, ZIP code, city and county. The PIN database shall have the capacity to calculate distances from any ZIP code in California, such that all providers located approximately within a specified-mile radius of the ZIP code can be identified. The database shall provide mapping capabilities and shall also provide accurate driving directions, based on the publicly available map databases, to any provider site selected by the applicant/beneficiary. Listings of plans and providers produced by the PIN shall be sorted in such a fashion as to not advantage one plan or provider over another. The PIN database shall have the capacity to track links between professional and institutional providers by health plan.

2.0 INFORMING MATERIALS

2.1 OVERVIEW

Medi-Cal is a dynamic program that is modified regularly in response to changes in State and federal legislation, regulation, policies, and judicial decisions. The Medi-Cal managed care program itself also experiences changes due to numerous other factors. Many of the changes that Medi-Cal experiences create the need for new and/or revised managed care informing materials. Health plans periodically enter and leave service areas, plan comparison information is regularly updated, new beneficiary groups and service areas are sometimes added to the program, and the State entities that administer the Medi-Cal medical and dental managed care programs sometimes require existing materials to be revised and/or new materials to be created.

The Contractor shall be prepared, throughout the term of this Contract, to rapidly, efficiently, and accurately revise existing materials and create new materials, as directed by CDHS. The materials revision and development process entails editing, updating, creating and translating materials, in keeping with instructions and approvals received from CDHS. In addition, the Contractor shall maintain all existing materials and protect them to ensure that no changes occur to them, inadvertently or intentionally, in the absence of instructions and final approvals from CDHS. These requirements apply to all HCO Program informing materials for which the Contractor is responsible to distribute to Medi-Cal applicants, beneficiaries, potential enrollees, CDHS and other interested parties.

The informing materials to which the requirements in this section apply include any and all State-approved written, audio-visual, video, multi-media, web-based/on-line, or similar presentations, regardless of the type of distribution. These requirements shall apply equally to materials developed and/or maintained by the Contractor, as well as materials developed and/or maintained by the Contractor's subcontractors, if any.

One method by which the HCO Program provides education and enrollment assistance is through the provision of written HCO Program informing materials provided to applicants, beneficiaries and other interested parties through the mailings program and at HCO Program Presentation Sites.

CDHS and the Contractor shall work cooperatively to ensure that the content of all HCO informing materials is accurate and consistent with CDHS's directions. However, the Contractor is responsible for making certain all proofs of new and/or revised materials are ninety-nine percent (99%) accurate per State instructions prior to providing the proofs to CDHS for approval.

2.2 OBJECTIVES

The Materials Development and Production, and Mailing Functions requirements in this section shall:

A. Ensure applicants, beneficiaries, potential enrollees and other interested parties are provided accurate, timely and unbiased informing materials to assist in making informed health care choices;

B. Ensure informing materials are culturally and linguistically appropriate and are at CDHS-approved reading level;

C. Ensure visual- and hearing- impaired and other special needs audiences are given informing materials in formats that provide the most assistance in making informed choices;

D. Ensure all informing materials are delivered and/or shipped accurately and timely to enable beneficiaries to make informed choices;

E. Ensure accurate, language- and county-specific informing materials are provided to beneficiaries;

F. Ensure all informing materials in all required threshold languages, as directed by CDHS, are available at HCO Program Presentation Sites to assist applicants and beneficiaries who speak languages other than English;

G. Ensure accurate and sufficient inventory of all informing materials are kept in stock; and

H. Ensure all reusable informing materials are restocked, as directed by CDHS, when returned as undeliverable.

2.3 ASSUMPTIONS AND CONSTRAINTS

A. All materials maintained, edited, updated, translated and/or developed for use in the HCO Program shall be the property of CDHS; the Contractor agrees to relinquish all rights to such materials.

B. All materials maintained, edited, updated, translated and/or developed shall be produced in English and all threshold languages, as directed by CDHS. The Contractor shall subject all English and translated documents to continuous and rigorous quality assurance testing, sufficient to ensure all documents are error-free. All informing materials must be approved in writing by CDHS before being used in the HCO Program.

C. The Contractor shall be responsible for the performance of all activities described in this section, whether they are carried out by Contractor staff or by subcontractors. Similarly, the Contractor is responsible for meeting all requirements set forth in this section, whether Contractor or subcontractor staff carries out the activities to which those requirements apply.

D. For purposes of this Contract, the term “business days associated with mailings” shall be understood to refer to the number of business days that elapse between the receipt of a daily eligibles file from Medi-Cal Eligibility Data System (MEDS), and the date on which informing materials are mailed to the beneficiaries and

potential enrollees identified in that daily eligibles file. The date on which informing materials are mailed is determined by a postmark or other official date stamp provided by the shipper. The Contractor is required to mail HCO Program informing materials to new eligibles within three (3) business days of receipt of the daily eligibles file from MEDS. The same requirement applies to all mailings undertaken in response to the receipt of a C letter, unless otherwise directed by CDHS.

E. Within five (5) business days of receiving non-HCO Program related documents, such as checks, birth certificates, Medi-Cal applications, etc., the Contractor shall appropriately forward or route the documents to their respective recipients.

F. For mailing purposes, the term “beneficiary” and means either an individual or the Medi-Cal head of household (case head).

G. Informing materials include, but are not limited to, packets, notices and postcards.

2.4 MATERIALS DEVELOPMENT AND PRODUCTION

The Contractor shall:

A. Employ a sufficient number of staff possessing the necessary skills and experience to enable the Contractor to meet all requirements appearing in this section;

B. Provide suggestions to CDHS that may improve the quality of the informing materials and/or the efficiency and timeliness with which they are produced and disseminated.

C. Accept new materials provided by CDHS and suggested modifications to improve quality of informing materials.

2.4.1 DEVELOPMENT OF MATERIALS

The Contractor shall maintain, edit, update, translate, and/or develop all informing materials as directed by CDHS. Development of materials includes, but is not limited to, drafting of content, page layout construction, threshold language translation and review, and quality assurance to ensure that all disseminated documents are free of errors.

2.4.2 SCHEDULE FOR THE DEVELOPMENT OF HCO PROGRAM INFORMING MATERIALS

A. Within eight (8) business days of receiving State direction to develop new or to revise existing informing materials, the Contractor shall submit a project work plan for doing so to CDHS. Once CDHS reviews and approves the project work plan, the Contractor shall have fifty (50) calendar days to prepare drafts of all new and/or revised materials in English and all threshold languages, and submit them to CDHS for review and approval. All drafts shall be quality checked by

Contractor staff and shall be ninety-nine percent (99%) error-free the first time they are submitted to CDHS.

B. At the request of CDHS, the Contractor shall provide expedited development and/or updating of informing materials up to twelve (12) times annually. Under an expedited schedule, the Contractor shall have five (5) business days to submit a project work plan to CDHS. The Contractor shall have twenty-five (25) calendar days to submit new and/or updated informing materials, including translating of those materials. All drafts shall be quality checked by Contractor staff and shall be ninety-nine percent (99%) error-free the first time they are submitted to CDHS.

2.4.3 NEW INFORMING MATERIALS

The Contractor shall be responsible for producing, developing, maintaining, editing, updating, and translating new informing materials, as directed by CDHS.

New materials development requirements:

A. The reading level for all HCO Program informing materials shall be no higher than the fourth grade, as determined by a commonly accepted scoring mechanism such as Smog, Gunning-Fogg or the Fleisch Readability Index. When it is necessary for a document to contain a term(s) that causes a section of text to exceed the fourth-grade reading level, the term(s) shall be defined in a glossary. The glossary shall be included as a supplement to the document containing the term(s) requiring definition. All glossary definitions shall be at no higher than a sixth-grade reading level.

B. All materials developed shall be unbiased, culturally sensitive, linguistically appropriate, and error free in order to assist applicants, beneficiaries and potential enrollees in making informed choices.

C. The Contractor shall assure that all written correspondence is approved by CDHS in writing prior to use.

D. The Contractor shall have the ability to produce an image file, in a .pdf format document, of all correspondence, upon request by CDHS.

2.4.4 EXISTING INFORMING MATERIALS

The Contractor shall be responsible for producing, maintaining, updating, editing and translating all existing informing materials.

2.4.5 PRODUCTION OF MATERIALS

The Contactor shall:

A. Have the option to produce the informing materials required in this Contract or it may arrange for a subcontractor to do so.

B. Produce all materials according to the schedule(s) agreed upon by CDHS and the Contractor.

C. Produce upon demand all Contractor-produced informing materials, including customized letters, booklets, and pre-printed Choice Forms. No informing materials, other than Choice Forms, Provider Directories and other plan-produced materials, shall be warehoused as inventory.

2.4.6 CONTROL BINDERS

A. Control Binders shall serve as the repository for official reference copies of all State-approved informing materials currently in production.

B. The Control Binders shall accurately and comprehensively represent all specific material contents for all mailings of informing materials.

C. The Contractor shall develop and maintain informing materials in Control Binders for each county served by the HCO Program that can be continually accessed instantly by CDHS and any other party CDHS approves.

D. The Contractor shall update the materials in the Control Binders within one (1) business day following receipt of State-approved changes to any documents contained in those Binders and make those changes available to CDHS immediately.

E. A control list of all current informing materials shall be kept in each Control Binder. A historical listing detailing the changes made to each document, and the dates on which those changes were made, shall also be kept in each Control Binder.

2.5 MAILING FUNCTIONS

The Contractor shall:

A. Mail informing materials to Medi-Cal beneficiaries and potential enrollees who reside in counties in which Medi-Cal managed care delivery systems (medical, dental, and/or both) are in operation.

B. On a proactive basis, the Contractor shall evaluate any new zip code information provided by the U.S.P.S. and make use of the U.S.P.S. Change of Address Database, as it applies to new and existing cases. The Contractor shall also use an address and telephone locator service on a proactive basis, as it applies to new and existing cases.

C. Mail language- and county-appropriate informing materials to Medi-Cal beneficiaries who are designated as having 1) mandatory aid codes (those who are required to enroll in Medi-Cal managed care medical and/or dental plan(s), and 2) voluntary aid codes (those who have the option to enroll in a managed care medical or dental plan(s)).

D. Mail informing materials to beneficiaries of counties in which managed care delivery systems become operational at any time following the Assumption of Operations under this Contract.

E. Propose a mailing operation that shall meet all of the requirements appearing in this section. The mailing operation proposal shall include, but not be limited to, a mailing operations description, an inventory and inventory control processes, and a detailed staffing and management plan, which includes quality control- and support staff. This proposal shall be comprehensive, covering all mailing operation processes and supporting functions, and all staff and management positions associated with the mailing operation.

F. Employ staff of a sufficient number and with an appropriate level of expertise to oversee and facilitate all contractually required mailing functions.

G. Develop, implement, and maintain a State-approved Materials Development, Production and Mailing Function Plan, in accordance with Exhibit A, Attachment I.12.1, Takeover Section of this Contract, for use by CDHS, Contractor and the Mailing fulfillment site.

H. Prepare and mail the appropriate language-specific and county-specific informing materials to CDHS-directed categories of beneficiaries and potential enrollees, and to HCO Program Presentation Sites, health plans, and other interested parties, as designated by CDHS.

I. Provide appropriate storage of informing materials, effective and accurate inventory management, maintenance and tracking of informing materials, disposition of returned, re-usable and obsolete informing materials, and timely retrieval of all informing materials that are periodically mailed to beneficiaries and potential enrollees as a part of the HCO Program.

2.5.1 MAILING OF HCO PROGRAM INFORMING MATERIALS

A. Any Post Office Box address used by the Contractor for the purposes of the HCO Operation shall be the wholly and completely owned property of CDHS.

B. HCO Program informing materials shall be mailed according to the schedules and within the timeframes specified in this section. Many of the mailings for which the Contractor shall be responsible will be generated by automated processes that have been developed and implemented by the Contractor following approval by CDHS. The types of informing materials to be mailed are described below in Sections 2.5.2 to 2.5.9.

C. The Contractor shall ensure that accurate copies of the correct informing materials are included in all mailings. The range of available informing materials will vary according to, at the least, the county, language, and aid code of the recipient. An informing materials mailing is considered to be “correct” when all such variables correctly match the corresponding county, language, aid code, etc. in the recipient’s MEDS and the Contractor’s records.

D. Packets shall be prepared no more than five (5) business days in advance of their actual mailing.

2.5.2 INFORMING MATERIALS MAILINGS

The types of informing materials mailings, as directed by CDHS that shall be generated by the Contractor are, but are not limited to:

A. Initial Informing Mailings. This type of mailing is used to convert current Fee-For-Service counties in which one or more Medi-Cal managed care health plan(s) are to become operational. The materials to be mailed shall be designated by CDHS.

B. Daily Mailings. Each business day, the Contractor will receive records from MEDS that contain information on beneficiaries who are newly eligible for enrollment into Medi-Cal managed care health plans. This information is referred to herein as the "daily new eligibles files".

Details and requirements concerning the processing of the daily new eligibles file is contained in Exhibit A, Attachment II, Section 3, Enrollment/Disenrollment. Mailings generated in response to the receipt of daily new eligibles files include, but are not limited to, beneficiaries who:

1. Are newly eligible for Medi-Cal;

2. Have been assigned either mandatory or voluntary aid codes;

3. Who reside in a county in which HCO processes Medi-Cal managed care health plan enrollments; and

4. Lost Medi-Cal eligibility, were disenrolled from a managed care health care plan(s) and have subsequently had Medi-Cal eligibility reinstated.

Some daily new eligibles files will contain records for beneficiaries for whom unprocessed Choice Forms are already on file with the Contractor. These Choice Forms are to be held in 'pend' status, called Non-Meds status. Medi-Cal applicants whose eligibility had not yet been determined have submitted these Choice Forms. Upon receiving eligibility information for these beneficiaries in the daily new eligibles file, the Contractor shall process the Choice Forms on file for them. No informing materials are to be mailed to these beneficiaries, unless requested by the beneficiaries themselves.

The Contractor shall:

1. Update its enrollment solution so that it accurately reflects the contents of the daily new eligibles file; and

2. Mail an informing packet to each beneficiary for whom a record exists in the daily new eligibles information record and who do not have a Choice Form pending in 'Non-Meds' status. Unless otherwise specified by CDHS, daily

mailings are to occur within three (3) business days of the date on which the daily new eligibles file was received by the Contractor. Beneficiaries identified in the daily new eligibles information record who have submitted Choice Forms within the previous one hundred twenty (120) calendar days shall not be mailed a packet. The Contractor shall, instead, honor the choices made on the previously submitted Choice Forms.

2.5.3 RE-INFORMING MAILINGS

At any time during the term of this Contract, new and/or changed health care options may occur in any and/or all Medi-Cal managed care counties and/or service areas. This includes, but is not limited to, the addition and/or deletion of health care plans that were not available when the beneficiary made an initial choice. As directed by CDHS, the Contractor shall mail updated informing materials to these affected beneficiaries.

2.5.4 MONTHLY RECONCILIATION MAILINGS

The Contractor will receive a monthly MEDS report from CDHS that shall be used to reconcile the Contractor's enrollment information with MEDS. This reconciliation process will update the beneficiary's demographic information and often identify Medi-Cal beneficiaries who are eligible for managed care plan membership, but are not currently enrolled in a managed care plan(s). These include beneficiaries in mandatory and/or voluntary aid codes. Unless otherwise specified by CDHS, the Contractor shall mail informing packets to these beneficiaries within three (3) business days of the date on which the monthly MEDS reconciliation process completes, unless a Choice Form is already on file.

2.5.5 ANNUAL RENOTIFICATION MAILINGS

A. The Contractor shall generate the mailings both mandatory and voluntary aid code categories in keeping with the requirements contained in this Section (Section 2).

B. The purpose of annual renotification is to advise beneficiaries and potential enrollees of their right to make other health care choices and to identify the choices available to them. Mailings are generated from beneficiary information contained in the HPE System. All beneficiaries who are enrolled, or who are eligible for enrollment, in a managed care health plan, including eligible FFS participants shall be sent annual renotification notices.

C. Mandatory and voluntary beneficiaries who have been continuously enrolled in the same health care plan for twelve (12) consecutive months and voluntary beneficiaries who have been in the FFS program for twelve (12) consecutive months (but who are eligible for managed care plan enrollment), shall be sent an annual renotification notice or brochure informing them of the choices available to them. Notices are sent at least two (2) months prior to the enrollment anniversary date.

D. Annual renotification notices or brochures shall be sent at the case level, and shall provide renotification information for all members in the case. The first renotification shall be sent at least two (2) months prior to the first anniversary of the case head's enrollment date. If the case head is not enrolled in a plan, a renotification notice shall be sent on the first anniversary of the case head's Medi-Cal eligibility date. Renotification notices shall subsequently be mailed each year on the same anniversary date.

E. Beneficiaries enrolled in more than one (1) plan type either medical, or dental, shall receive a single renotification notice covering both enrollments. That single notice can be sent on the anniversary date of either the medical or dental plan enrollment date, which ever occurs first in the calendar year.

F. Beneficiaries who receive annual renotification notices may subsequently request informing packets. The Contractor is responsible for fulfilling these requests within three (3) business days from the date the request is received, as described below.

2.5.6 MANDATORY-TO-VOLUNTARY AID CODE STATUS CHANGE MAILINGS

Beneficiaries enrolled in a managed care medical plan and/or dental plan, whose aid code has changed from mandatory to voluntary, shall be sent a notice to advise them of their new set of health care options.

A. Mandatory-to-Voluntary notices shall be mailed within three (3) business days from the date on which the Contractor receives an eligibility information record indicating that the beneficiary's aid code status has changed.

B. Beneficiaries who receive Mandatory-to-Voluntary notices may subsequently request informing packets. The Contractor is responsible for fulfilling these requests within three (3) business days from the date the request is received, as described below.

2.5.7 MASS-MAILING PROJECTS

Mass mailing projects result from a variety of activities including, but not limited to:

A. Converting counties from Medi-Cal FFS to Medi-Cal managed care;

B. Converting managed care counties from one managed care model type to another;

C. Medical and/or dental plan changes, caused by Medi-Cal procurements or by internal plan business decisions;

D. County eligibility redeterminations; and

E. Selective Zip code additions/deletions.

F. Health plan mergers, acquisitions or terminations.

Mass-mailing projects may include any combination of postcards, letters, packets or other materials, as directed by CDHS. CDHS will either provide the Contractor with records containing beneficiary mailing information, or direct the Contractor to generate the records for the mailings.

Mass mailings may target beneficiary groups of any size, up to and including the entire Medi-Cal managed care-eligible population in CDHS. The majority of mass mailings, however, will target the Medi-Cal eligible population within a single county. The Contractor shall be capable of successfully conducting as many as fifteen (15) mass mailings per calendar year to all Medi-Cal managed care eligibles in an average-sized managed care county.

The Contractor shall work with CDHS to develop a schedule for each mass-mailing project. That schedule shall take into consideration the mailing completion date specified by CDHS, the size of the target population, competing Contractor workload, and the Contractor's mail-generation capacity. The Contractor shall submit a project work plan as required in Additional Provisions, containing the agreed-upon mailing schedule, to CDHS for approval within eight (8) business days from the date CDHS directs the Contractor in writing to undertake the mass mailing project. Upon approval of the project work plan by CDHS, the Contractor shall implement the mass mailing project as specified in the approved project work plan.

2.5.8 PACKET REQUEST MAILINGS

Medi-Cal beneficiaries, applicants, potential enrollees and other interested parties may request informing packets either by calling the Contractor's TCC or by returning a packet request post card from a previous informing materials mailing. The Contractor shall fulfill each such request within three (3) business days of the date on which the request is received, unless otherwise specified by CDHS.

Upon receiving a packet request, the Contractor shall determine whether a record exists for the requestor in HPE System Files and/or in MEDS. Because the Contractor shall mail informing materials to Medi-Cal applicants as well as to current beneficiaries, it may not find a record for some requestors. If a record is found the Contractor shall ensure (in keeping with all applicable security and confidentiality requirements) that it has a correct mailing address on file for the requestor. If no record is found, the Contractor shall obtain a valid mailing address from the requestor.

2.5.9 OTHER HCO INFORMING MATERIALS MAILINGS

The Contactor shall:

A. Upon request, provide Choice Forms, with return envelopes, to the health plans. Unless otherwise specified by CDHS, health plan Choice Form requests shall be fulfilled within five (5) business days of the date on which CDHS transmits the request to the Contractor. The Choice Forms provided to health plans shall be traceable as submitted to the Contractor by health plans.

B. Upon request by CDHS, mail and/or ship up to ten (10) packets, excluding cover letters, to medical plans, dental plans, and/or other interested parties. Such requests shall be fulfilled within three (3) business days of the date on which CDHS transmits the request to the Contractor.

C. Fulfill single requests for more than ten (10) packets, but less than twenty (20) packets, within five (5) business days of the date on which CDHS transmits the request to the Contractor.

D. Upon request by CDHS, be instructed to deliver as many as ten (10) packets, excluding cover letters, to the California Department of Health Services at any of its various locations in Sacramento County. Delivery shall occur on or before a time specified by CDHS.

E. Each week, deliver at least two (2) packets, excluding cover letters, from each managed care county and service area to the California Department of Health Services, Medi-Cal Managed Care Division.

F. Shall ensure that a sufficient number of language-and county-appropriate informing materials are available at all Presentation Sites/locations in all HCO Program managed care counties in advance of presentations.

G. Pull a minimum of two (2) sample packets for each of the packet types from production and provide to CDHS on a rotational schedule identified by CDHS. These packets shall be subject to quality assurance review.

H. Be responsible for Ad Hoc mailings that may include, but not be limited, to notifications, letters, post-cards, and fliers, as identified and requested by CDHS.

2.5.10 FULFILLMENT STANDARDS

A. Informing materials shall be mailed in State approved envelopes of sufficient size and strength to accommodate the informing materials.

B. In accordance with the Quality Assurance Plan contained within Exhibit A, Attachment II, Section 4, Quality Assurance, all materials mailed to beneficiaries shall be ninety-nine percent (99%) accurate, based upon a comparison of materials being mailed to the corresponding materials contained in CDHS-approved Control Binders.

C. The results of daily packet accuracy quality assurance tests shall be available to CDHS within one (1) business day of the date it requests such results.

D. Within forty-five (45) calendar days of Assumption of Operations the Contractor shall present to CDHS an assessment of the current postal rate structure in use for HCO Program mailings, and the options available, if any, for reducing postage costs. At its discretion, CDHS may direct the Contractor to present further information on one or more alternatives, direct the Contractor to implement an alternative, or decide to continue operating under the existing rate structure.

E. No fewer than semi-annually, the Contractor shall reassess the postal costs of informing materials mailings to determine if opportunities exist to lower those costs. The results of each reassessment shall be reported to CDHS in a written report within thirty (30) calendar days after the assessment is complete.

2.6 PROCESSING RETURNED MAIL AND ADDRESS CHANGES

The Contractor shall:

A. Upon receipt of packets, notices and/or other informing materials that were returned as undeliverable, within two (2) business days, update the HPE System to indicate that the corresponding beneficiary mailing addresses are undeliverable.

B. If the U.S.P.S. provides a forwarding address, the Contractor shall update the applicant's/beneficiary's mailing address and shall resend the informing material to the updated address. If there is no forwarding address for the applicant/beneficiary, the Contractor shall call the applicant/beneficiary at the telephone numbers listed on the case file or by e-mail, if available and request updated mailing address information. The Contractor shall document the efforts in obtaining an applicant's/beneficiary's updated mailing address information and shall flag the case file for the need to obtain updated information, should the applicant/beneficiary contact any of the HCO Program's toll-free telephone lines.

C. The Contractor shall work with the U.S.P.S. to ensure that the Contractor is notified of an applicant's/beneficiary's new address in the event that the U.S.P.S. provides the forwarding address.

D. Remove mandatory beneficiaries whose addresses have been identified as undeliverable from the default path to prevent them from being auto-assigned to a managed care health plan. The auto-assignment (default) process is only to be used for beneficiaries who receive, but fail to respond, to mailed informing materials.

E. Unless otherwise directed by CDHS, mail no materials of any kind to beneficiaries whose addresses have been marked as undeliverable in the HPE System. Mailing of informing materials may only resume to a beneficiary and/or potential enrollee with an undeliverable address when updated address information is received from the applicant/beneficiary or through MEDS. Updated addresses are received in the daily new eligibles and monthly reconciliation reports.

F. Resume mailings within three (3) business days following the receipt of updated address information for eligibles with undeliverable address. Mandatory beneficiaries who fail to respond within forty-five (45) calendar days to informing materials mailings triggered by the receipt of updated address information shall be auto-assigned to a health and/or dental plan using the standard default assignment algorithm.

G. Destroy specific confidential beneficiary information contained in returned mail within two (2) business days from the date of receipt.

H. Within ten (10) business days of receipt, disassemble returned informing materials and return reusable materials to inventory. Reusable materials are defined as materials that are still current (have not been replaced by updated versions), are not damaged or marred, (per State standards) and can be restocked and reused without incurring a net cost.

I. Flag the applicant's/beneficiary's file to indicate that the informing material was not delivered. All documents returned to the Contractor shall be scanned and stored as an image view. The Contractor shall document in the case file the date in which the document was returned to the contractor, a description of the returned document, and the date in which the document was re-sent to the applicant/beneficiary, if applicable.

J. The contractor shall develop and maintain a tracking system of all undeliverable items and returned mail and shall link all undeliverable items and returned mail to the head of household. As the Contractor researches the applicant's new address information, the Contractor shall continue to mail outgoing correspondence to the applicant's/beneficiary's mailing address, as identified in MEDS.

K. Update inventory control data records to reflect the returned stock of reusable materials.

L. Recycle materials deemed non-reusable.

M. Unless otherwise directed by CDHS, update address information in the HPE System in an 'information only' status.

N. Be prepared to possibly be required, at a later date, to actively participate in the bad address correction process. If this were to occur, the Contractor shall be asked to submit records containing known bad addresses to CDHS, the counties, or both, on a monthly basis. If the Contractor is asked to participate in the bad address correction process, it shall work closely with CDHS and the counties to create specifications for the content and layout of the records to be exchanged, identify required information, content, sort criteria, formats, delivery dates and any other viable means of sharing this information. This work shall be guided by a State-approved work plan.

O. Be prepared to obtain forwarding addresses from the United States Postal Service for beneficiaries with incorrect addresses on file with the HPE System. When this information is obtained, it would be included in the information exchanged with CDHS and the counties.

2.7 INVENTORY OF MATERIALS

The Contractor shall maintain sufficient stocks of informing materials to meet Contract requirements for timely mailing and delivery of all informing materials and shall be responsible for the storage and stocking of all informing materials that are not generated on-demand at the time mailings are being assembled. State staff shall have direct access to all materials.

2.7.1 LOCATION OF MATERIALS

All informing materials, which the Contractor is responsible for mailing, shall be stored at a single central warehouse location within a forty-nine (49) mile radius (as determined by freeway access) of the California State Capitol Building in Sacramento;

2.7.2 INVENTORY CONTROL

The Contractor shall:

A. Develop and maintain an inventory control system to ensure that sufficient quantities of the appropriate informing materials are available to meet the fulfillment requirements of this Contract at all times. The inventory control system, at minimum, shall:

   1. Accurately account for every item of inventory at all times;

   2. Generate reports that accurately reflect inventory on-hand for each inventory item;

   3. Project upcoming inventory needs; and

   4. Track/identify the inventory re-order point for each inventory item.

B. Provide an inventory process that shall be verifiable through routine State monitoring.

C. Ensure the inventory process error rate is no greater than five percent (5%) per item.

2.7.3 REPLENISHMENT OF INVENTORY

A. Contractor-Produced Informing Materials (Other than provider directories)

   The Contractor shall arrange for on-demand, or similar, production of all Contractor-produced informing materials so that no Contractor-produced materials are printed prior to receipt of beneficiary information to ensure the Contractor is able to meet Contract requirements at all times. See the Data Library for examples of Contractor-produced materials.

B. Provider Directories

Provider directories may be Contractor-produced or plan-produced. CDHS will inform the Contractor which plans produce their own directories and which will be produced by the Contractor.

The Contractor shall:

1. Maintain a ninety (90) business day inventory of all provider directories to ensure that daily mailings and all other Contract required mailings occur without interruption.

2. Submit written notification to CDHS when the inventory stock of any provider directory drops to a forty-five (45) business day supply. The notice shall include a description of the provider directory needed, quantity of inventory on-hand, estimated daily usage, and the number of directories needed to bring the available supply up to a ninety (90) business day level.

3. Not be held responsible for not meeting State timeliness requirements if CDHS does not respond in a timely manner to the Contractor's timely request to replenish provider directory stocks, and/or deliveries of plan-produced provider directories are not made in a timely manner causing the Contractor to deplete the requested inventory. Timeliness requirements shall be back in force five (5) business days after the Contractor receives the requested inventory.

C. Contractor-Produced Provider Directories

The Contractor shall produce any provider directory not produced by plan(s), in accordance with the stocking requirements described above.

D. Plan-Produced Provider Directories

1. State policy allows plans to produce their own provider directories, if they so choose.

2. Plans are allowed to replace current versions of provider directories twice annually.

3. CDHS shall inform the Contractor that a replacement version of a plan-produced provider directory is forthcoming, to ensure the Contractor has the most correct version control information when ordering these new provider directories from the plans.

E. Provider Directory Inserts

The Contractor shall maintain an appropriate inventory stock of provider directory inserts for inclusion in provider directories included in packets. Insert inventories shall meet the same stocking requirements as provider directories. These requirements are described above.

F. Materials Not Produced by the Contractor

All other informing materials provided to the Contractor for inclusion in informing materials mailings shall meet the same stocking requirements as provider directories. These requirements are described above.

G. Obsolete Materials

Within ten (10) business days of receipt of written notification from CDHS, materials specified by CDHS as obsolete shall be removed from inventory and the inventory system shall be updated to reflect this removal. The materials shall then be recycled, destroyed or returned to the health plan, as instructed by CDHS.

2.8 AUTOMATED SYSTEM REQUIREMENTS

The requirements in this section are only required if an automated system is proposed. These requirements are in addition to the previous requirements in Exhibit A, Attachment II, Section 2-Informing Materials.

The Contractor shall maintain all Control Binders in electronic form. The electronic version of the Control Binders shall consist of a system that has functionality similar to that of an electronic document management database system. All documents that have ever been included in any informing materials during the term of this Contract shall be maintained in, and easily retrievable from, the production Control Binder database. Current, production versions of all documents shall be easily distinguishable from previous versions and retired documents. The full and complete revision history of all documents in the production database shall also be maintained and easily retrievable.

CDHS shall have full, read-only access to the electronic Control Binder. State staff shall have the ability to run production queries and reports in the database, and to create and run ad hoc queries and reports.

2.9 MEDI-CAL POLICY MATERIALS

2.9.1 OVERVIEW

Medi-Cal is a dynamic program that is modified regularly in response to changes in State and federal legislation, regulation, policies, and judicial decisions. Many of the changes that the Medi-Cal program experiences creates the need for new and/or revised managed care informing publications. The publications include but are not limited to Medi-Cal applications, handbooks, guides and brochures. State entities that administer the Medi-Cal program sometimes require existing publications to be revised and/or new publications to be created.

The Contractor shall be prepared, throughout the term of this Contract, to rapidly, efficiently, and accurately revise existing publications and create new publications, as directed by CDHS. The publication revision and development process entails editing, updating, creating, translating, focus testing and performing readability studies on publications, in keeping with instructions and written approvals received from CDHS. In addition, the Contractor shall maintain all existing publications and protect them to

ensure that no changes occur to them, inadvertently or intentionally, in the absence of instructions and final written approvals from CDHS. These requirements apply to all publications for which the Contractor is responsible for distributing to, which are at a minimum, community-based organizations, county departments and CDHS.

CDHS and the Contractor shall work cooperatively to ensure that the content of all publications is accurate and consistent with CDHS's directions. The Contractor shall ensure that publications meet CDHS's specified content and production standards and requirements for each publication in order to facilitate effective communication with the intended audience.

In addition, the Contractor is responsible for appropriate storage, effective and accurate inventory management, maintenance and tracking, and disposition of returned and obsolete publications. CDHS and Contractor shall work cooperatively to ensure that distribution of the publications is accurate and consistent with CDHS's directions.

The Data Library contains historical information regarding the scale of the distribution operations.

2.9.2 OBJECTIVES

The Medi-Cal policy for materials development, production and mailing requirements in this section shall:

A. Ensure that publications are produced in English and threshold languages as directed by CDHS;

B. Ensure that the publications are unbiased, culturally sensitive, and linguistically appropriate in order to promote understanding of the materials;

C. Ensure the receipt and fulfillment of publication orders on a bulk and/or individual basis;

D. Ensure accurate and sufficient inventory of all informing materials are kept in stock; and

E. Ensure all reusable publications are restocked, as directed by CDHS, when returned as undeliverable.

2.9.3 ASSUMPTIONS AND CONSTRAINTS

A. The Contractor shall, upon Contract Effective Date, accept delivery and assume physical control of the existing inventory of selected Medi-Cal publications from CDHS.

B. CDHS will continue to publish standard Medi-Cal printed publications that do not require extensive development and reproduction services.

C. The Contractor may experience periods of frequent publications work orders followed by relatively inactive periods based on State publication needs.

D. The Contractor shall have immediate and ongoing distribution management responsibility for the:

1. Medi-Cal Application (MC 210)

2. Medi-Cal/Healthy Families Application (MC 321)

3. Medi-Cal Informational Brochure (Pub 68)

4. Medi-Cal/Healthy Families Periodic Update Inserts (Pub 406)

5. Healthy Families Handbook

6. New publications and/or materials resulting from this procurement and specified by CDHS.

7. Consumer Guide

2.9.4 GENERAL REQUIREMENTS FOR PUBLICATIONS DEVELOPMENT AND PRODUCTION

2.9.4.1 DESIGN SERVICES

The Contractor shall provide publication design services when requested by CDHS. These services may include:

A. Original logos, insignias, and/or graphics. The Contractor shall create original material for those publications specified by CDHS.

B. Photographs. For those publications specified by CDHS, the Contractor shall obtain new photographs, utilize existing photographs furnished by CDHS, manage the ownership rights for use in the publications, and maintain the files of modeling fees and releases on behalf of CDHS.

C. Composing, designing, and constructing the publications. The Contractor shall ensure that publication layout, text and graphics are spaced and arranged to ensure ease of understanding by the intended audience.

D. Cost-Effectiveness. The Contractor shall coordinate publication design and printing management to ensure that design specifications such as colors, paper size and paper stock are cost-effective to print. The Contractor shall incorporate the results of any cultural and linguistic accuracy services into the publication design as directed by CDHS.

E. Edit/Approval Process. The Contractor shall propose an approval process for CDHS to use when editing the publications, viewing document samples, modifying the material, if necessary, and tracking changes prior to production.

CDHS shall retain the authority to designate the manner and method by which Medi-Cal publications shall be reviewed, revised and approved.

The Contractor shall obtain final written State approval of all publications prior to reproduction in accordance with the edit/approval process.

2.9.4.2 CULTURAL AND LINGUISTIC ACCURACY

The Contractor shall provide cultural and linguistic accuracy services. The Contractor shall coordinate with publication design services to ensure that cultural appropriateness and linguistic accuracy is reflected in the final design of the publication.

2.9.4.3 READABILITY ASSESSMENT

The Contractor shall provide readability assessments of Medi-Cal publications.

A. The Contractor shall utilize a State-approved scoring mechanism to ensure that publications meet State specified reading levels for the intended audience.

B. The Contractor shall recommend modifications of new and existing publication text, such as alternative phrases, to meet the required reading level by suggesting replacement words or phrases that preserve the integrity of the intended textual meaning.

C. The Contractor shall obtain State written approval before initiating the readability assessment.

2.9.4.4 TRANSLATION SERVICES

The Contractor shall provide translation of the benchmark English source publication into Spanish, and into any other languages specified by CDHS. Although CDHS currently translates publications into nine additional languages, the number of languages may be increased or reduced as deemed necessary by CDHS.

A. The Contractor shall provide translation services conducted by qualified translators, editors, proofreaders, and reviewers to ensure contextual accuracy and ease of understanding by the intended audience.

B. The Contractor shall not provide translation services that utilize software or automated systems as the sole method of translation.

C. When requested by CDHS, the Contractor shall prepare and provide publications for the visually impaired, or other special needs audiences, consistent with Americans with Disabilities Act (ADA) requirements.

D. The Contractor shall obtain State written approval prior to initiating the translation service.

E. CDHS shall retain the authority to designate standards for translating publications, including, but not limited to, translator qualifications, methods, and performance standards.

2.9.4.5 FOCUS GROUP TESTING

The Contractor shall provide focus group research of State-specified publications to assess the effectiveness of the publications in achieving their objectives. CDHS typically conducts focus group research for new publications and not for reproduction of existing publications.

A. The Contractor shall submit a proposal that states the research objective and the plans for accomplishing the objective through qualitative and/or quantitative research.

B. The Contractor shall obtain State written approval prior to initiating focus group research.

C. The Contractor shall provide a Focus Group Research Plan that includes the project schedule and the estimated number of sessions and respondents, by California region and language. The Contractor's final Research Plan shall meet the following requirements:

1. The Contractor shall provide qualified focus group moderators for all focus group sessions and translation services for non-English focus group sessions.

2. The Contractor shall develop moderator discussion guides that achieve CDHSd focus group testing objective as approved in writing by CDHS.

3. The Contractor shall recruit respondents that reflect the demographics of the intended audience of the publication, as specified by CDHS.

4. The Contractor shall arrange for the usage of focus group facilities, including donated facilities, and provide support for the respondents, such as incentive payments, transportation, childcare, and meals (if necessary).

5. The Contractor shall obtain State written approval of the Focus Group Research Plan prior to commencing the research. A State representative, and other individuals designated by CDHS, shall be present to observe and monitor the focus group sessions.

D. The Contractor shall submit to CDHS a Topline Report that highlights the general outcome of the focus group research. The report shall include the major recommendations for improving the publication based upon commentary from respondents. The Contractor shall submit the report in writing to CDHS within a maximum of 15 business days of the conclusion of the research, or at an earlier time if requested by CDHS; and

E. The Contractor shall submit a written Final Report that details the outcome of focus group research, such as any design and content flaws in the publications, positive and negative feedback, an evaluation of the cultural and linguistic appropriateness of the publications, respondent demographics, examples of specific comments made by respondents, an assessment of the adequacy of the publications in meeting the information needs of the target audience, and recommendations for improving the publication. The Final Report shall include an audio and/or visual record of the focus group sessions, if requested by CDHS.

F. The Contractor shall revise publications as a result of focus group testing in accordance with the edit and approval process specified in Design Services.

2.9.5 PRINTER SERVICES

The Contractor shall print the Medi-Cal publications upon receipt of the final written approval for printing from CDHS.

A. The Contractor shall generate a Print Specification Schedule for each printing service that includes the requirements and specifications for:

1. Paper Size, such as 8 ½ X 11 inches or 4 X 6 inches;
2. Paper Count, such as 24 pages from front to back of sheets, or single sided;
3. Paper Stock, such as 80# Glossy;
4. Ink, such as four color or black and white;
5. Bindery, such as cut, fold and saddle stitch with staple in the middle;
6. Special Treatment, such as sequential barcodes and/or other numerical coding for tracking purposes;
7. Quantity, such as 50,000 units; and
8. Other specifications necessary to obtain accurate job estimates from various printing companies.

B. The Contractor shall obtain State written approval of the Printing Specification Schedule prior to initiating the printing.

C. The Contractor shall deliver completed publications to the distribution facility, as described in this Contract, or to other locations when specified by CDHS, such as CDHS warehouse.

D. The Contractor shall be responsible for the printing costs of misprinted publications and either refund or credit the cost of such publications to CDHS, or make required corrections and replace it at no cost to CDHS.

2.9.6 EXPEDITE WORK ORDERS

CDHS may require the Contractor to provide expedited reproduction and/or development of existing and/or new publications. Under these circumstances, the Contractor shall produce and/or develop the publications according to an expedited schedule provided by CDHS.

2.9.7 EXISTING PUBLICATIONS

A. The Contractor shall revise existing publications and/or reproduce existing publications without revisions, as directed by CDHS. Publications for which the Contractor has immediate and ongoing development and reproduction responsibility are located in the Data Library.

B. The Contractor shall, upon commencement of this Contract, assume possession of master copies of existing publications from CDHS. CDHS shall retain authority to designate the manner and method by which master copies shall be transferred.

2.9.8 NEW PUBLICATIONS

The Contractor shall develop and reproduce new publications, when requested by CDHS, for the purpose of informing the intended audience about the Medi-Cal program or providing methods to apply for the Medi-Cal program. Examples of such new publications include flyers, forms, notices, and booklets.

2.9.9 TRANSFER ON TERMINATION

The Contractor shall, upon termination of this Contract, transfer control of all Medi-Cal publications, both physical inventory and electronic copies, to CDHS. CDHS shall retain authority to designate the manner and method by which Medi-Cal publications shall be transferred.

2.9.10 DISTRIBUTION FUNCTIONS GENERAL REQUIREMENTS

2.9.10.1 STORAGE AND INVENTORY STANDARDS

The Contractor shall maintain sufficient inventory of the publications to ensure that distribution of existing and new publications is in accordance with State standards. The Contractor is responsible for monitoring the inventory and projecting future needs based on historical evidence. The Contractor shall be responsible for the storage and inventory of publications in accordance with the following standards.

2.9.10.2 LOCATION OF PUBLICATIONS

A. The Contractor shall propose an efficient Medi-Cal publication distribution facility. CDHS is seeking a cost-effective method that offers low overhead costs. The Contractor may choose to lease a facility that is currently operational and offers the best value to CDHS.

B. The Contractor shall store Medi-Cal publications at a distribution facility within CDHS of California.

C. The Contractor shall store all publications in a secure location that maintains their condition, protecting them from the elements such as rain or excessive sunlight that will fade and damage publications.

2.9.10.3 INVENTORY CONTROL METHODS

A. The Contractor shall develop and maintain an inventory system to ensure a sufficient inventory of Medi-Cal publications in accordance with State standards. This system shall, at a minimum:

1. Accurately account for the inventory of each Medi-Cal publication at all times;

2. Generate reports that accurately reflect inventory on hand for each inventory item;

3. Project upcoming inventory need; and

4. Track and identify the inventory re-order point for each inventory item.

B. The Contractor shall provide to CDHS an inventory of specified items within one business day of receiving a request from CDHS.

C. The Contractor shall submit a bi-weekly inventory report to CDHS. The report shall meet the following requirements:

1. The Contractor shall prepare and deliver the report in a media and format proposed by the Contractor and approved in writing by CDHS. At a minimum, the Contractor shall submit a copy of the report to CDHS via electronic mail.

2. The Contractor shall submit the report no later than the third business day following the report week.

3. The Contractor shall report the inventory on hand, inventory usage, inventory on back order, orders received, orders fulfilled, and inventory to be replenished.

4. The Contractor shall report to CDHS specific order fulfillment data upon receipt of a request by CDHS. In exceptional circumstances, CDHS shall require a specific recipient's order history and other information to ensure appropriate usage of publications. The Contractor shall include order fulfillment reports as an attachment to the bi-weekly inventory report when requested by CDHS.

5. The Contractor may recommend modifications to report formats, as well as additional or revised reports, as it identifies other areas of potential interest to CDHS.

2.9.10.4 REPLENISHMENT OF STOCK

The Contractor shall ensure an appropriate inventory of Medi-Cal publications by replenishing publications using a replacement process and schedule proposed by the Contractor and approved by CDHS. The Contractor shall notify CDHS in writing when the inventory of any publication reaches a minimum forty-five- (45) business-day supply. The notice shall include:

A. A description of the publication needed; and

B. Inventory on hand, estimated depletion date, and the number needed for a ninety (90), one-hundred eighty (180), and three-hundred sixty (360)-day supply.

The Contractor shall replenish the stock of publications as directed by CDHS and to the extent determined by CDHS.

2.9.10.5 OBSOLETE PUBLICATIONS

Within ten (10) business days of receipt of written notification from CDHS, the Contractor shall remove obsolete publications from inventory and update the inventory data to reflect this removal. The Contractor shall recycle and/or destroy obsolete publications when directed by CDHS.

2.9.11 ORDER FULFILLMENT

The Contractor shall fulfill orders for publications as follows:

A. The Contractor shall provide a cost-effective and efficient method for receiving orders for publications from customers. The Contractor may utilize a telephone service center, an Internet web site, or any other method that is approved by CDHS.

B. The Contractor shall prepare and ship the appropriate Medi-Cal publications to recipients as designated by CDHS:

   1. The Contractor shall deliver and/or ship publications to individual residences within three (3) business days of the request to deliver and/or ship such publications.

   2. The Contractor shall deliver and/or ship publications to community-based organizations, commercial locations, schools, and similar locations as specified by CDHS, within four (4) business days of receiving a request to deliver and/or ship such publications.

   3. The Contractor shall deliver and/or ship publications to county departments within five (5) business days of receiving a request to deliver such publications.

4. The Contractor shall deliver and/or ship publications to CDHS at any of its California locations, including CDHS warehouse, within five (5) business days of receiving a request from CDHS to deliver such publications.

2.9.12 STANDARDS FOR DISTRIBUTING MEDI-CAL PUBLICATIONS

The Contractor shall distribute orders for publications in accordance with the following standards:

A. The Contractor shall select the most cost-effective freight and shipping contractors when fulfilling orders for publications.

B. The Contractor shall use envelopes, boxes, or other packing materials of sufficient size and strength to accommodate the shipment of publications in accordance with carrier requirements and/or State specifications.

C. The Contractor shall coordinate with CDHS warehouse to ensure compliance with their storage requirements, including but not limited to, pallet size and maximum weight.

D. The Contractor shall distribute publications to recipients via overnight courier service upon receipt of a request by CDHS. The Contractor shall select overnight courier service subcontractors in a cost-effective manner, as approved in writing by CDHS. The Contractor shall provide CDHS with tracking information for overnight shipments via electronic mail upon request.

E. The Contractor shall process mass deliveries and/or shipments of Medi-Cal publications upon receipt of a request by CDHS. Mass deliveries and/or shipments may result from a variety of activities, such as major notification efforts or special projects. The Contractor shall work with CDHS to develop a schedule for the mass deliver and/or shipment based upon the number of recipients and their locations. The Contractor shall submit the schedule to CDHS for approval no later than ten (10) business days from the date CDHS notifies the Contractor of the need for a mass delivery and/or shipment. Once the schedule is approved by CDHS in writing, the Contractor shall deliver and/or ship the publications to the scheduled recipients in accordance with CDHS-approved schedule.

3.0 ENROLLMENT/DISENROLLMENT

3.1 OVERVIEW

The Contractor is responsible for enrollment of beneficiaries into, and disenrollment of beneficiaries out of, Medi-Cal managed care health plans in specified counties, as directed by CDHS. This activity includes processing Choice Forms received from applicants, beneficiaries, and/or their authorized representatives, processing requests for exception to plan enrollment requests, and assigning to an available health plan, as directed by CDHS, those beneficiaries who do not make an active choice during the initial Health Care Options (HCO) informing process.

3.2 OBJECTIVES

The Enrollment/Disenrollment requirements described in this section shall:

A. Ensure that effective techniques are used to enroll and disenroll the Medi-Cal population into managed care plans.

B. Provide enrollment program changes in an accurate and timely manner.

3.3 ASSUMPTIONS AND CONSTRAINTS

A. The Contractor shall process no more than one (1) enrollment or disenrollment transaction per applicant/beneficiary per plan per day.

B. The Contractor shall not process Fee-For-Service Choice Forms that keep a voluntary beneficiary in Fee-For-Service status.

3.4 FORMS PROCESSING

The Contractor shall process all forms associated with enrollments and disenrollments received from applicants, beneficiaries, potential enrollees, their authorized representatives, counties, managed care health plans and providers per the requirements of this Contract. The Contractor shall enroll eligible beneficiaries into health plans, disenroll eligible beneficiaries from health plans, process Choice Forms (both from eligible beneficiaries and from applicants whose eligibility status had not yet been determined at the time the Choice Form was initially received), process exception to enrollment forms, and inform beneficiaries of their health plan membership status, as directed by CDHS.

For all forms processed, the Contractor shall:

A. Develop and maintain a Forms Tracking System (FTS). The FTS shall log and track all enrollment forms as they are received and processed. For any given form, CDHS shall be able to locate and verify the stage of processing that the form is in, and the number of days it has taken to process it. The

maximum unscheduled downtime for this interface shall be one-half (1/2) hour per week.

B. Maintain a beneficiary data record accuracy rate of ninety-nine percent (99%) for each field in the beneficiary record. Accuracy rates shall be calculated for all fields each month during the term of the contract. "Accuracy" is defined as an exact correspondence between the contents of a given field in a beneficiary's data record and the corresponding field on the original form. If the information recorded for that field contains the same information as the form field, that field is deemed to be accurate.

C. Retain on file all signed forms received, as required in Exhibit A, Attachment II, Section 8, Records Retention and Retrieval.

3.4.1 CHOICE FORMS

A Choice Form is the document that applicants/beneficiaries complete, sign, and submit to the Contractor in order to enroll into, or disenroll from a Medi-Cal managed care health or dental plan, as well as Program of All Inclusive Care for the Elderly (PACE), Senior Care Action Network (SCAN) and other special projects.

The Contractor shall:

A. Prepare all mailed-in Choice Forms for processing;

B. Transport all completed Choice Forms collected from applicants/beneficiaries at Presentation Sites to the Contractor's main operating facility within one (1) business day of the date on which the Choice Forms were collected. The Contractor shall maintain a one-hundred percent (100%) accuracy rate of transporting all completed Choice Forms collected to the Contractor's main operating facility within one (1) business day of collection.

C. Assign a tracking number (document control number, or DCN) to all Choice Forms within one (1) business day of receipt at the Contractor's main operating facility.

D. Review all received Choice Forms for completeness and accuracy. If all fields designated by CDHS as required are either deemed to be accurate and complete, or are corrected during the review process, form processing continues, as described below. Forms that are not deemed to be complete and accurate are returned to the submitter, as described below.

   1. Forms that are deemed to be complete and accurate, according to State criteria, shall be processed as follows:

      a. If the eligibility status of one or more of the case (family) members seeking to enroll in health plan has not been determined (meaning that there is no Medi-Cal Eligibility Data System (MEDS) record indicating Medi-Cal eligibility for those individuals):

1) Place the Choice Form in 'pend' status for up to one hundred twenty (120) calendar days. If the Choice Form contains a mixture of eligible and ineligible enrollees, only the ineligible enrollees shall be pended.

2) Send a "Pend Letter" to the affected enrollees, explaining that their choices cannot be processed until the county through which they applied for benefits has notified CDHS that they are eligible for benefits.

3) Check MEDS each business day during the 120-day pend period to see if eligibility information is present for any of the pended Choice Forms.

   a) If MEDS indicates during the one hundred twenty (120) day pend period that an enrollee whose Choice Form has been pended has become eligible, process the Choice Form, as described below.

   b) If eligibility is not verified by the end of the one hundred twenty (120) day pend period, remove the Choice Form from pend status, return it to the enrollee along with an "Unable to Process" letter. See Section 12 for details on processing the "Unable to Process" letter.

   c) If all or some of the enrollees appearing on the Choice Form are shown on MEDS as eligible for Medi-Cal, and for Medi-Cal managed care plan enrollment, process the enrollment transaction for those enrollees. That transaction shall indicate that the enrollees are to be enrolled into the health plan they selected on their Choice Form.

   d). Process a disenrollment request for a mandatory beneficiary only if the Choice Form indicates a corresponding enrollment into another available health care plan. If a new choice is not indicated, the form shall be processed as incomplete or inaccurate, per the procedures described below.

2. Forms that are incomplete and/or inaccurate according to State criteria shall be processed as follows:

   a. Record the appropriate incomplete/inaccurate data into the applicant/beneficiary record

   b. Return the form to the applicant/beneficiary who submitted it within one (1) business day of receipt at the Contractor's main operating facility, recording the incomplete/inaccurate data into that enrollee's data record. Include with the Choice Form returned to the enrollee a letter explaining that the health plan choice indicated on the form was not honored due to incomplete and/or inaccurate information, and describing the errors present. The letter should also inform the enrollee how to correct the deficiencies indicated and return a corrected form.

c. After returning the incomplete/inaccurate form to the beneficiary, make at least five (5) telephone call attempts to contact the beneficiary/enrollee, with one (1) attempt to be made either in the evening or on a Saturday, in order to complete the form with the beneficiary.

d. If a form contains some complete and accurate choices along with one or more incomplete/inaccurate choices, the accurate and complete choice shall be recorded. Only the specific inaccurate/incomplete choices shall be returned to the enrollee for correction.

e. Within one (1) business day of receipt of the incomplete/inaccurate form, determine if the beneficiary is on the auto-assignment (default) path and if so, extend the time period for completing the enrollment form by ten (10) calendar days to allow the beneficiary time to correct and return a completed form. If the form is not returned within ten (10) days, or the form returned is still incomplete and/or inaccurate, the beneficiary shall continue on the auto-assignment path.

f. Hold an incorrect/inaccurate disenrollment request (such as one in which a mandatory beneficiary seeks to disenroll from a plan without enrolling into another plan) in 'pend' status for thirty (30) calendar days from the date of receipt in the Contractor's main operating facility to allow the affected beneficiary sufficient time to resubmit a corrected form. If the additional required information or corrections are not received within the thirty (30) calendar day period, the Contractor shall not disenroll the beneficiary from the health plan to which they are a member.

g. Review each returned Choice Form that is received within the time periods specified above. If a form is found to be complete and accurate according to State criteria, the Contractor shall process that form, as specified above. If the returned form is not found to be complete and accurate, it shall again be returned to the sender, and telephone contact attempts made, as described above. No Choice Form shall be returned more than twice. If a form cannot be processed (due to errors and/or inaccuracies) after having been returned twice, the form shall not be processed, and the beneficiary shall be sent an Unable to Process letter explaining that the form cannot be processed, and requesting that the beneficiary either visit an ESR or CBO site, or contact the Call Center for assistance.

E. Within one (1) business day of processing an enrollment status change into a beneficiary data record, submit that record to MEDS as an enrollment transaction. The Contractor shall then verify that the information was accepted by MEDS. Rejected transactions shall be investigated, any errors discovered corrected, and the transactions re-submitted to MEDS within one (1) business day of notification of rejection. The Contractor shall notify CDHS in writing, within one (1) business day of notification of rejection, if corrected information is re-submitted and again rejected.;

F. Generate the appropriate notification to the beneficiary indicating the final outcome of their health plan choice within one (1) business day of receiving the MEDS transaction log indicating the status of that beneficiary's transaction.

3.4.2 SPECIAL DISENROLLMENT REQUEST FORMS

Special disenrollment request forms allow various State-approved entities as well as beneficiaries to request disenrollment from health plan membership for several reasons. These forms include, but are not limited to, Retroactive, Expedited and Plan-initiated Disenrollments.

The Contractor shall process all special disenrollment request forms as follows:

A. Record and assign a tracking number (document control number, or DCN) to all special disenrollment request forms within one (1) business day of receipt of the forms at the Contractor's main operating facility;

B. Review all received special disenrollment request forms for completeness and accuracy.

1. If complete and accurate per State criteria:

   a. Process each special disenrollment request form within two (2) business days of the date on which each form was received at the Contractor's main operating facility. Processing means that the transaction is recorded and accepted by MEDS.

   b. The disposition of each transaction request shall also be entered into the data record for each beneficiary.

2. If incomplete and/or inaccurate per State criteria:

   a. Record the appropriate incomplete/inaccurate data into the beneficiary record.

   b. Return the form to the beneficiary/entity submitting it within one (1) business day of receipt in the Contractor's main operating facility, recording it into the record of the beneficiary, along with a notification describing any errors present, any additional information needed, and a request that the beneficiary/entity complete and return the form. A copy of the form and notification shall be sent to the beneficiary at the same time it is returned to the beneficiary/entity submitting it.

   c. After returning the incomplete/inaccurate form to the beneficiary/entity, make at least five (5) telephone call attempts to contact the beneficiary/entity, with one (1) attempt to be made either in the evening or on a Saturday, in order to complete the form with the beneficiary/entity.

3. Within one (1) business day of receipt of the incomplete/inaccurate form:

   Hold the disenrollment request in 'pend' status for thirty (30) calendar days to allow the entity which submitted it time to resubmit a complete and accurate form. If the additional required information or corrections are not received within the thirty (30) calendar day period, the Contractor shall record the disposition of the request into the data record for the beneficiary and cancel the disenrollment request.

C. Review each returned special disenrollment request form that is received. If a form is found to be complete and accurate according to State criteria, the Contractor shall process that form, as specified above. If the returned form is not found to be complete and accurate, it shall again be returned to the sender, and telephone contact attempts made, as described above. No form shall be returned more than twice. If a form cannot be processed (due to errors and/or inaccuracies) after having been returned twice, the form shall not be processed, and the beneficiary/entity shall be sent an Unable to Process letter explaining that the form cannot be processed, and requesting that the beneficiary either visit an ESR or CBO site, or contact the Call Center for assistance.

D. Via the forms processing function as defined in the Business Requirements located in the Data Library, submit to MEDS all approved disenrollment information processed within one (1) business day of the date the information was recorded. The Contractor shall then verify that the submitted transactions were accepted by MEDS. Rejected information shall be investigated, and resolved as stated in C. above.

E. Retain on file all signed special disenrollment request forms received, as required in Exhibit A, Attachment II, Section 8, Records Retention and Retrieval Requirement.

F. Mail the appropriate notification to the beneficiary, and if submitted on behalf of the beneficiary by another entity, to the entity as well, indicating the final outcome of their disenrollment request within one (1) business day of receiving the MEDS transaction log indicating the status of that beneficiary's transaction.

3.4.3 EXCEPTIONS TO PLAN ENROLLMENT

State regulations allow some beneficiaries with mandatory aid codes to be exempt from health plan membership. These regulations allow beneficiaries with certain medical conditions and/or other issues to either remain in or return to Fee-For-Service health care for up to twelve (12) months. CDHS regulations and medical conditions that allow these exceptions to plan enrollment are detailed further in the HCO Data Library. Beneficiaries who believe they qualify under applicable State regulations for such an exemption from health plan enrollment are required to submit an exemption request and/or waiver form to the Contractor requesting they be disenrolled from the health plan to which they are a member.

The Contractor shall process all exemption and waiver request forms as follows:

A. Record and assign a tracking number (DCN) to all exception to enrollment request forms within one (1) business day of receipt at the Contractor's main operating facility;

B. Within one (1) business day of assigning a DCN to the form, record all required information, along with the disposition of each exception to enrollment request form, into the data record for each applicant/beneficiary. The Contractor shall maintain a data entry accuracy rate of ninety-nine percent (99%) per month for all required fields on the form;

C. Review all received exception to enrollment request forms for completeness and accuracy.

1. If the medical exception to enrollment request form is complete and accurate per State criteria (to include validation of provider numbers against CDHS's Provider Master File):

   a. Process each medical exception to enrollment request form within three (3) business days of the date on which each form was received at the Contractor's main operating facility. Processing means that the transaction is recorded and accepted into the data record for each individual applicant/beneficiary.

   b. The disposition of each transaction request shall also be recorded into the record for each individual applicant/beneficiary.

2. If the dental exception to enrollment request form is complete and accurate per State criteria, transmit the form to CDHS Dental Managed Care staff within one (1) business day of receipt at the Contractor's main operating facility.

3. If the medical or dental exception to enrollment request form is incomplete and/or inaccurate per State criteria:

   a. Record the appropriate incomplete/inaccurate data into the beneficiary record.

   b. Return the form to the beneficiary/entity submitting it within one (1) business day of receipt in the Contractor's main operating facility, recording it into the record of the beneficiary, along with a notification describing any errors present, any additional information needed, and a request that the beneficiary/entity complete and return the form. If another entity submitted the form, a copy of the form and notification shall also be sent to the beneficiary.

   c. After returning the incomplete/inaccurate form to the beneficiary/entity, make at least five (5) telephone call attempts to

contact the beneficiary/entity, with one (1) attempt to be made either in the evening or on a Saturday, in order to complete the form with the beneficiary/entity.

d. Within one (1) business day of receipt of the incomplete/inaccurate form, hold the disenrollment request in 'pend' status for thirty (30) calendar days to allow the entity which submitted it time to resubmit a complete and accurate form. If the additional required information or corrections are not received within the thirty (30) calendar day period, the Contractor shall record the disposition of the request into the data record for the beneficiary and cancel the exception to enrollment request.

e. Review each returned exemption to enrollment request form that is received. If a form is found to be complete and accurate according to State criteria, the Contractor shall process that form, as specified above. If the returned form is not found to be complete and accurate, it shall again be returned to the sender, and telephone contact attempts made, as described above. No form shall be returned more than twice. If a form cannot be processed (due to errors and/or inaccuracies) after having been returned twice, the form shall not be processed, and the beneficiary/entity shall be sent an Unable to Process letter explaining that the form cannot be processed, and requesting that the beneficiary either visit an ESR or CBO site, or contact the Call Center for assistance.

D. Forward processed medical exception to enrollment request forms requiring State review to CDHS office designated to perform the required reviews. The amount of time taken by CDHS to review exception to enrollment forms will not be counted against the Contractor's three (3) business day processing requirement, appearing in item C., above.

E. Forward information reflecting the disposition of medical exception to enrollment request forms to MEDS within one (1) business day from the date the information was recorded into the applicant/beneficiary's data record, and verify that the transaction was accepted by MEDS. Investigate and resolve all rejected submissions as stated in C. above.

3.5 BENEFICIARY AUTO-ASSIGNMENT

The Contractor shall auto-assign beneficiaries designated with mandatory aid codes if they do not submit a complete and accurate Choice Form in a timely manner or have not been granted an approval of their exception to enrollment request. Auto-assigning mandatory beneficiaries after forty (45) days assures that they will have a minimum of thirty (30) days to make a choice, as required by Title 22. To be subject to auto-assignment, beneficiaries must reside in a county and/or other service area that is subject to the mandatory HCO Program, and must fall into a mandatory aid code category. If a beneficiary designated with a mandatory aid code fails to either submit a completed Choice Form, or to obtain approval of an exception to enrollment request, within the time period established

by CDHS, the Contractor shall enroll that beneficiary into one of the available managed care plans in the beneficiary's county of residence, within the time frame and using the algorithm established by CDHS.

The Contractor shall notify beneficiaries in writing that they have been enrolled in a health plan, the reasons that enrollment occurred, and the effective date of that enrollment. The Contractor shall also advise beneficiaries of the process they are to use if they wish to disenroll from the health plan to which they were auto-assigned, and to enroll into another available health plan.

3.6 HEALTH PLAN MEMBERSHIP STATUS LETTERS

The Contractor shall provide health plan membership status letters, to applicants, beneficiaries and the entities who submitted the request forms on their behalf, in the following instances:

A. Within one (1) business day on which enrollment and/or disenrollment information is either accepted or rejected by MEDS and/or CDHS due to the following methods:

   1. Plan enrollment via the auto-assignment (default) process;

   2. Choice Form processing;

   3. Special disenrollment request form processing; and

   4. Exception to enrollment request form processing.

B. A beneficiary who is eligible for Medi-Cal benefits has become ineligible for benefits shall receive a notice explaining the date eligibility expired and the last date of health plan enrollment, within ten (10) calendar days of loss of eligibility.

C. Exception to enrollment approval time frames are approaching their expiration dates. Notices to beneficiaries in this category shall be mailed forty-five (45) days before their exception time frames are set to expire.

D. Enrollment status has not changed for a twelve (12) month period of time. Beneficiaries in this category shall be sent an Annual Renotification Letter, ten (10) months after their enrollment anniversary date, informing them of the full range of their health care options, and of their right to exercise those options at any time.

E. The health care choices in a service area may change due to the departure of one or more plans from that service area(s), the establishment of one or more new plans in that service area(s), and/or other non-routine program changes. Beneficiaries shall be notified of non-routine changes such as these vis-a-vis Special Mailings, as directed by CDHS.

3.7 HCO OPERATIONS INTERFACE

3.7.1 COMMUNICATION LINKS

The Contractor shall establish and maintain communication links to allow interfaces with outside entities as designated by CDHS. The Contractor shall:

A. Establish and maintain through the term of this Contract an agreement with the Department of Technology Services (DTS) for appropriate link between the Contractor and DTS. This media shall be used for computer access, both batch and on-line, to records contained in the Medi-Cal Eligibility Database System (MEDS), EDSNET and any other beneficiary eligibility files made available to the Contractor, and to submit and retrieve information files in a format to be determined by CDHS. Communication protocols, line configuration, communication software, etc. shall be determined by CDHS during Takeover.

B. Maintain the capability to communicate with CDHS instantly. The Contractor shall have the ability to receive and read files as well as to send files to CDHS in a form readable and editable by CDHS.

C. Establish a method to allow immediate retrieval of data from and by health plans and other parties designated by CDHS.

D. Provide Contractor staff and managers with an electronic mail system that is fully compatible with CDHS's electronic mail system, and configure that system to allow unrestricted, unimpeded electronic mail communication between State and Contractor personnel. The Contractor shall be able to restrict and/or curtail use by its personnel in order to terminate or prevent inappropriate or abusive use.

3.7.2 MEDI-CAL ELIGIBILITY DATABASE SYSTEM INTERFACE

MEDS is CDHS's automated medical eligibility data management system. CDHS' Information Technology Services Division (ITSD) maintains the system and provides the Contractor with beneficiary eligibility information extracted from MEDS. The Contractor shall:

A. Process State-supplied eligibility information files, which include (at a minimum):

1. MEDS Daily Files containing eligibility information for beneficiaries who are newly Medi-Cal eligible, potential health plan enrollees, updated records for any current, prior or potential enrollees, and/or changes to beneficiary eligibility records possibly effecting current enrollment status;

2. MEDS Error Transaction Log Files containing the status of each enrollment and disenrollment transaction received from the HPE System and applied to MEDS, and information to assist the Contractor in identifying and correcting errors;

3. Health Care Program (HCP) Table (also known as the "PHP Table") containing current information on health plan coverage;

4. Monthly Reconciliation Files containing eligibility data to be used to reconcile the HPE System with MEDS on a monthly basis; and
5. Special files, as required by CDHS.

A. Generate and transmit to CDHS each State business day a file containing records that accurately characterize all changes in the health plan enrollment status of Medi-Cal beneficiaries in all HCO service areas. This file shall be known as the "HCO Enrollment/Disenrollment Transactions File", and shall contain records for all changes that have occurred since the last Enrollment/Disenrollment Transactions File was created. The format of the file shall be determined by CDHS.

B. Create and submit a file to CDHS on the HCO enrollment/disenrollment transactions indicating changes in the health care plan status for Medi-Cal beneficiaries. Submit the HCO enrollment/disenrollment transaction file in a format to be determined by CDHS. Transmit only one (1) HCO enrollment/disenrollment transaction file each day.

C. Ensure that system communications with MEDS are secure.

3.7.3 HEALTH PLAN INTERFACE

On a weekly basis, the Contractor shall provide all operational managed care health plans with an information file containing records for each new enrollment into, or disenrollment from, health plans.

4.0 QUALITY MANAGEMENT PROGRAM

4.1 OVERVIEW

The Contractor shall establish a comprehensive Quality Management Program to measure, review and report the Contractor's overall levels of performance within each area of Contract responsibility. The Quality Management Program shall complement CDHS's monitoring activities, and shall provide for oversight of all corrective actions required to ensure Contract compliance. This program shall be a separate and distinct operation whose staff reports directly to the Contractor's Representative. The program and its staff shall be autonomous from all other Contract operations and shall only perform quality management functions.

4.2 OBJECTIVES

The Quality Management Program shall:

A. Ensure that all HCO operational areas meet or exceed minimum quality assurance (QA) standards;

B. Ensure continuous and routine measurement of the HCO Operations to verify Contractor's compliance with all Contract responsibilities and requirements;

C. Ensure that the Contractor's performance standards are regularly monitored, evaluated, and revised so that they continue to prevent deviations from the goal of timely, accurate, effective and efficient compliance with Contract requirements;

D. Ensure that performance problems in any operational area detected, described, and tracked, and that effective corrective action plans are drafted and implemented for every problem identified;

E. Ensure that communication and dissemination of QA and improvement information occurs throughout all levels of the Contractor's operations and concurrently to CDHS; and

F. Ensure that the Contractor's Quality Management Program complies with International Organization for Standardization (ISO) standards.

4.3 ASSUMPTIONS AND CONSTRAINTS

CDHS retains the right, at any time during this Contract, to expand, reduce, and/or delete any report and/or the data elements in any report, as well as the reporting schedule of any report to be produced under this Contract. CDHS also retains the right to instruct the Contractor at any time to produce reports not otherwise presented in this Contract.

4.4 GENERAL RESPONSIBILITIES

The Contractor shall:

A. Develop and implement a process for tracking and reporting its achievement in meeting all requirements as stated in this Section.

B. Establish a comprehensive QMP to ensure compliance with all Contractual requirements, including, but not limited to providing applicants/beneficiaries with timely and accurate informing materials and customer assistance, assuring that all enrollment and disenrollment requests are promptly and accurately fulfilled, and processing all enrollment-related forms and documents promptly and correctly.

C. Ensure that all areas of the HCO Operations under this Contract are monitored, regardless of whether requirements and/or performance standards are specified in this Contract. It is the desire of CDHS that all areas of HCO Operations be monitored monthly, if feasible. If the Contractor determines that it is not feasible to monitor all operational areas on a monthly basis, it shall provide CDHS with a feasibility study supporting this conclusion. Once CDHS approves this study, it shall direct the Contractor to conduct its monthly QA monitoring as follows:

1. Monitor the group of four (4) key-operational areas identified below on a monthly basis:

   a. Enrollment and Disenrollment Processing;

   b. HCO Record Updates;

   c. Customer Service; and

   d. HCO Informing Materials

2. Monitor, on a monthly basis, an additional group of HCO operational areas randomly selected from the population of all remaining operational areas, using a valid, State-approved random selection method. The number of members in this group will be determined when CDHS approves the Contractor's random selection methodology.

3. The group of operational areas from which monthly QA monitoring samples are to be drawn, and the method to be used to identify those areas, shall be provided to CDHS no later than thirty (30) calendar days after CED. CDHS retains the sole discretion to approve the list of operation areas to be sampled each month. The population of operational areas that shall be subject to monitoring shall not be restricted to those areas for which requirements and performance standards exist in this Contract. Some operational areas in this population may be subject to no standards or requirements in this Contract. Following State approval of the list of operational areas to be sampled each month, the Contractor shall prepare complete QA audit plans for each area on that list. The pass-fail thresholds in all such audit plans shall be consistent with applicable Contract requirements in all cases where applicable Contract requirements exist. When no applicable Contract requirements exist, the Contractor shall propose appropriate pass-fail audit thresholds. Audit plans for all operational areas on the Contractor's list shall be submitted to CDHS within thirty (30)

calendar days of the date on which CDHS approved the operational area list. Following State approval of the audit plan, that plan shall be added to the Quality Assurance Plan (which is described in this section). The list of operational areas to be sampled and audit plans, including applicable pass-fail thresholds, shall be submitted and approved in accordance with the requirements set forth in Exhibit A, Attachment I, Section 1.18, Takeover-Quality Assurance Plan.

D. Ensure that any and all instances of failed QA audits are both reported via the QA reporting process described in this section, and processed according to the provisions contained in Exhibit B-1, Special Payment Provisions Section. The performance of all operational areas are precedent-to-payment, and any failure of an operational area discovered during the course of the QA audits performed under the terms of this section shall trigger the precedent-to-payment process, as described in Exhibit B-1, Special Payment Provisions Section. This requirement applies equally to the operational areas that are subject to required monthly audits, and to the operational areas that are audited as a result of being included in a monthly random sample of additional operational areas selected for audit.

4.5 QUALITY ASSURANCE UNIT

The Contractor shall organize and maintain, for the term of the Contract, a Quality Assurance Unit to coordinate, conduct, and report the results of QA monitoring under the terms of this Contract.

The QA Unit and its staff shall be:

A. A separate and centrally located unit reporting directly to the Contractor Representative.

B. Headed by a management representative who has the authority and responsibility for administering the QMP. No other Contractor organizations shall report to this management representative. The goal of the QA Unit will be to adhere to best industry QA practices. The QA Unit management and staff shall be insulated from any internal pressures to compromise best practices for any reasons whatsoever. The QA Unit must have the authority to apply all approved QA procedures and pass-fail thresholds objectively and to report the results obtained without having to consider the reactions of the management and staff in the monitored operational areas.

C. Sufficiently trained and experienced in general statistical sampling and analysis, and specific QA methods to ensure that the Contractor's QMP meets all generally accepted industry QA standards.

4.5.1 QUALITY ASSURANCE UNIT RESPONSIBILITIES

The QA Unit's responsibilities shall include, but not be limited to:

A. Using QMP audits to measure and review Contractor and subcontractor performance in each operational area;

B. Reporting to CDHS and Contractor Representative regarding compliance;

C. Interfacing with State-monitoring activities;

D. Overseeing the implementation of corrective action plans;

E. Objectively, and systematically measuring and reporting on process and HCO Operations performance, as well as reviewing HCO Operations policies and procedures for the purpose of providing recommendations;

F. Identifying and tracking processes, HCO Operations, and/or performance problems;

G. Communicating and disseminating QA and improvement information throughout all levels of Contractor and subcontractors HCO Operations, and to CDHS;

H. Preparing and submitting required reports to CDHS under the signature of the Contractor's Representative; and

I. At CDHS's request, making available all working papers that support any and/or all QA findings.

4.6 QUALITY ASSURANCE STANDARDS AND PROCEDURES MANUAL (QASPM)

This manual shall include the Quality Management Program Plan, the Quality Management Program organizational structure, policies, standards, procedures, and methodologies, statistical and mathematical formulas and calculations used in the QA monitoring process, and error rate limits for staff in each area of the Contractor's and all subcontractors' operations.

The Contractor shall:

A. Ensure the QASPM is submitted to CDHS for written approval three (3) months after the CED.

B. Update the QASPM annually, with updates submitted for State review and approval by January 15 of each Contract phase. The Contractor shall continue to adhere to the requirements contained in the latest approved QASPM, pending State approval of the updated manual.

C. Ensure the QASPM is continuously updated and maintained to reflect all new procedures, changes, and methodologies. All updates shall be subject to State review and written approval.

D. Implement no new or modified QA procedures prior to obtaining written State approval to do so. To submit proposed QA procedure changes to CDHS for approval, the Contractor shall submit to CDHS the new and/or revised QASPM sections and the corresponding currently approved sections covering those procedures, along with a cover letter requesting review and approval. The cover

letter shall provide additional information, such as why the change is necessary and/or desirable.

E. Follow the QA procedures modification process described above to bring new operational areas under the purview of the QASPM. No action shall be taken until the proposed change is approved in writing by CDHS. The Contractor shall request State approval by submitting the new QASPM sections covering the new areas, along with a cover letter requesting review and approval, to CDHS.

F. Maintain the QASPM to encourage maximum Contractor staff usage.

G. Ensure that QASPM procedures consist of specific, detailed, easy-to-follow steps.

H. Ensure the QASPM be incorporated into everyday operations of all units within the Contractor's and subcontractor(s)' HCO Operations. The procedures shall be made available to all new staff as a training and reference tool in each applicable work area(s).

I. Ensure that all QMP documentation is available for State review at any time.

J. Maintain a copy of the QASPM in the Contractor's Master Library.

4.6.1 QUALITY ASSURANCE PLAN

The Contractor shall develop and maintain the Quality Assurance Plan, to be included in the QASPM, by which the Contractor and subcontractors shall ensure that Contract requirements are met and that processes are in place to assure continuous quality improvement. The QA Plan shall include, but not be limited to:

A. QA procedures. These procedures shall be continuously updated and submitted to CDHS for review and written approval during Takeover, as well as by January 15th of each Contract phase. No QA procedures change is to be implemented without prior written State approval.

B. The data sampling tools, procedures and designated pass-fail threshold for each operational area evaluated under the terms of the QA Plan.

C. Sampling methods designed to yield samples large enough to produce ninety-five percent (95%) confidence intervals with precision levels of plus or minus two percent (2%). Sampling methods shall be described in step-by-step detail in the QASPM as described below in this section.

D. The procedures used to identify, research, report and correct problems, i.e., areas in which contractual requirements were not met.

E. The procedures used to evaluate and improve the Contractor's and subcontractor's staff performance (both system and non-system Operations).

The Contractor must ensure that the QA procedures comply with ISO standards

upon CED. The Contractor shall attain ISO certification within twelve (12) months of the CED. Any subcontractor to the Contractor that is responsible for complying with significant portions of any operational standard, as defined by CDHS, must also be ISO certified upon execution of the subcontract. The Contractor may execute subcontracts with non-ISO certified entities, so long as certification is obtained within twelve (12) months from the execution of the subcontract(s). No subcontractor may remain uncertified for more than twelve (12) months without written authorization from CDHS to do so. Subcontractors retained by the Contractor prior to the CED shall have twelve (12) months from the CED to obtain certification, unless written authorization is obtained from CDHS. The Contractor shall ensure that all such subcontractors shall be ISO certified within twelve (12) months of the CED, or provide CDHS a written finding that the quality assurance standards and procedures used by the subcontractor(s) are substantially equivalent to ISO standards and procedures in all operational areas that are material to the requirements of the subcontract(s).

4.6.2 QUALITY MANAGEMENT REVIEW

The QA Plan shall provide the Contractor with the policies and procedural framework it needs to:

A. Audit all areas of the HCO Operations under this Contract using continuous and routine measurement, which is designed to determine whether the Contractor has achieved compliance with all Contract requirements, including accuracy and timely performance rates, in each area of Contractor responsibility.

B. Monitor the Contractor's ability to meet all applicable QA standards, even in any operational areas where no Contract requirements or performance standards exist. The Contractor shall establish QA standards for accuracy, timeliness, and any other relevant parameters, for operational areas that lack sufficient Contract requirements and standards.

C. Specify methods to monitor Contractor and subcontractor performance appropriate to the function being tested. The goals of the monitoring process are to measure the ability of the Contractor's systems and processes to meet Contract requirements, and to identify and improve inefficient systems and processes, even when the systems and processes comply with Contract requirements. All QA samples shall be statistically valid and randomly selected. Samples shall be of sufficient size to produce ninety-five percent (95%) confidence intervals with no more than a two percent (2%) error rate;

    1. Base sample sizes on actual volumes of workload for the month prior to the report month;

    2. Follow accepted industry practices in determining the number of significant digits to use in reporting each specific set of QA audit results. CDHS may at any time determine that more or fewer significant digits are necessary in a given set of results, however, and require the Contractor to reduce or increase the number it uses to report those results;

3. Describe the sampling, testing, and reporting methods used in step-by-step detail in the QASPM. Descriptions must use standard mathematical and statistical notation and terminology, but they must also be written for the non-technical reader. CDHS may require the Contractor to follow each technical, formal description with a less technical, more widely accessible description;

D. Monitor internal standards by use of a control process designed by the Contractor and approved by CDHS for the term of the Contract.

1. The control process shall include the tracking and monitoring of processes and procedures requiring change or remediation for Contractor compliance with Contract requirements, and conversely, to include any process or procedure deemed by CDHS to impact its ability to adequately monitor the Contractor's compliance with Contract requirements.

2. The control process shall be designed with clearly defined procedures and reportable outcomes including a mechanism to ensure that any process or procedure change or remediation to be tracked, monitored and designated for implementation or closure within the control system, whether initiated by the Contractor by CDHS, is approved by CDHS prior to the Contractor's implementation or closure.

3. Representatives of CDHS shall be included in the design and implementation phases of the control process.

4. After implementation, State staff shall continue as designees to represent CDHS for all matters related to the overall processes and procedures of the control process.

5. Any changes or modification to the control system subsequent to its initial implementation shall be approved by CDHS prior to implementation.

E. The Contractor shall not attribute shortcomings revealed by the QA Plan to "human error." Instead, the Contractor shall determine the root cause(s) of the error(s) discovered, and shall develop systematic processes to eliminate these errors. A Problem Statement (PS) shall be generated if a process is not operating as designed or intended, and a corrective action plan submitted each time error rates are out of compliance with applicable contractual requirements and/or QA thresholds established in the QA Plan.

4.6.3 QUALITY MANAGEMENT PERFORMANCE MEASUREMENT

The Contractor shall:

A. Measure its performance on a monthly basis in the four (4) key-operational areas as listed above and detailed below, in Section 4.7, Quality Management Key Operational Areas, as well as in one or more additional randomly selected areas. The number of areas randomly selected for review each month shall be established in the QASPM.

B. Ensure that all sampling performed for purposes of meeting the requirements of

this Contract produces unbiased, statistically valid random samples, and that all analysis of the QA data collected employs standard inferential statistical methods, and complies with specifications and standards found in Section 4.6.2, Quality Management Review, and in the Contractor's QASPM.

C. Ensure that any errors revealed by QA monitoring are described (by type, when possible), incorporated into error rates and clearly reported in the MQAPR, which is described later in this Contract section. PSs shall be generated for all cases in which error rates are out of compliance with applicable contractual requirements and/or thresholds established in the QA Plan.

D. Ensure CDHS access, upon request, to the Contractor's QA working papers.

E. Ensure that all QA pass-fail thresholds take into consideration all applicable Contract and other policy requirements, and that QA data collection methods are designed to prevent the introduction of errors that do not exist in the data set from which the sample is being drawn.

F. Utilize a standard format for reporting QA results in the Monthly Quality Assurance Performance Report (MQAPR). That format shall provide for the clear identification of the applicable pass-fail threshold(s), the QA score(s) obtained, and the final test result(s) (pass or fail). The standard reporting format shall also include an area for an optional discussion of the results obtained, such as unusual or extenuating circumstances or recommendations.

4.7 QUALITY MANAGEMENT KEY OPERATIONAL AREAS

The Contractor's performance in the following four (4) key-operational areas shall be measured and the results reported monthly in the MQAPR.

4.7.1 FORMS PROCESSING

Unbiased, statistically valid random samples shall be drawn from all Choice Forms, Exception to Enrollment Request Forms and Waiver Request Forms processed during the month. Processing includes the handling of these forms received from all sources, including those received from applicants whose eligibility status has not been determined as of the date of receipt of the form. The Contractor shall submit one PS each month that reports all forms processing errors discovered during that month's performance sampling. The QA evaluation of the forms processing function shall consider both timeliness and accuracy, as follows:

A. Timeliness

1. The Contractor shall record and report:

a. The dates when forms are received at the Contractor's main operating facility for processing;

b. The dates the processed transactions from those forms are accepted into MEDS;

c. The number of business days that elapsed between these two dates;

d. The number of cases in which the number of days that elapsed between the receipt of the form and the subsequent transaction exceeded applicable Contract requirements and/or QA pass-fail thresholds found in the QA Plan. A population-level timeliness rate shall be calculated using standard inferential statistical methods, and reported in the MQAPR; and

e. Each of the above results in the MQAPR, and compare each to the corresponding Contract requirements appearing in Exhibit A, Attachment II, Section 11, HPE System, of this Contract.

2. Generate one (1) PS for each timeliness standard that did not meet Contract requirements as specified in Exhibit A, Attachment II, Section 11, HPE System.

When a Choice Form, Exception to Enrollment Request Form or Waiver Request Form is returned to applicant/beneficiary for correction and/or completion, all business days from the date the form is mailed to the applicant/beneficiary to the date the corrected form is received from the applicant/beneficiary shall be subtracted from the overall forms processing time period.

B. Accuracy

1. The Contractor shall compare the original Choice Form, Exception to Enrollment Request Form and Waiver Request Form from the random sample with the corresponding data entered or scanned into the HPE System from those forms;

2. The Contractor shall record and report in the MQAPR:

a. All exceptions found;

b. Using standard inferential statistical methods, a monthly accuracy rate for the population of Choice Forms, Exception to Enrollment Request Forms and Waiver Request Forms processed during the month;

c. All exceptions listed by Client Index Number (CIN), Document Control Number (DCN), applicant/beneficiary's county, transaction type, such as enrollment or disenrollment, data field and affected health plan (identified by name and plan number); and

d. The correct information from the original Choice Form, Exception to Enrollment Request Form and Waiver Request Form and erroneous data from the HPE System, along with all steps necessary to correct the error(s); and

3. Generate one (1) PS for each accuracy standard that did not meet Contract requirements as specified in Exhibit A, Attachment II, Section 5.5.1, Problem Correction Statement.

4.7.2 INFORMATION UPDATES

4.7.2.1 DAILY ELIGIBLE AND MONTHLY RECONCILIATION FILES

The Contractor shall draw an unbiased, statistically valid random sample from all Daily Eligible and Monthly Reconciliation files for the prior month of eligibility. The Contractor shall compare the information in this sample to the corresponding information in the HPE System to determine whether the HPE System information accurately reflect the information in the daily and reconciliation files.

A. Accuracy

1. The Contractor shall compare the results of the analysis for each applicant/beneficiary's eligibility determination in the sample with the medical and/or dental plan enrollment status shown for that applicant/beneficiary in the HPE System.

2. The eligibility of each applicant/beneficiary in the sample for managed care plan membership shall be determined using all applicable Contract sections and all applicable policy directives from CDHS. These include, but are not limited to, the following:

   a. Aid Code;

   b. County and zip code of residence;

   c. Whether the applicant/beneficiary submitted a Choice Form, Exception to Enrollment Request Form or Waiver Request Form prior to eligibility determination, and, if so, whether the choice(s) made on that form were correctly honored when that beneficiary's eligibility information was transmitted to the Contractor in a daily or reconciliation file, and whether additional packet mailings to that beneficiary were suppressed;

   d. Exemption status; and

   e. All other applicable indicators.

3. The results shall be reported in MQAPR by CIN, aid code, plan membership status, exemption status, and the outcome of the analysis described in this paragraph.

4. One (1) PS shall be generated per applicant/beneficiary whose eligibility determination does not match the medical and/or dental plan enrollment status shown for that applicant/beneficiary in the HPE System.

4.7.2.2 HCO TRANSACTION LOG FILE

The Contractor shall draw an unbiased, statistically valid random sample from the current month's transactions in the HCO Transaction Log. The Contractor shall compare the information in the log to the corresponding information in the HPE System to determine whether the HPE System information accurately reflect the log information.

A. Accuracy:

The Contractor shall:

1. Determine, based on all applicable Contract sections and all applicable policy directives from CDHS, how each transaction in the sample should appear in the HPE System;

2. Account for the final disposition of all denied transactions;

3. Compare the results of this analysis to the corresponding information in the HPE System;

4. Report in the MQAPR all discrepancies by CIN, aid code, plan membership status, exemption status, and the nature of the discrepancy discovered, the final disposition of all denied transactions, and the population-level error rate using standard inferential statistical techniques; and

5. Generate one (1) PS for each transaction not meeting applicable Contract standards as specified in Exhibit A, Attachment II, Section 5.5.1, Problem Correction Statement.

4.7.3 CUSTOMER SERVICE

The Contractor shall submit a separate PS for each of the three (3) areas of Customer Service listed below which details the errors found that month in each area.

4.7.3.1 TELEPHONE ASSISTANCE

The Contractor shall draw an unbiased, statistically valid random sample from all telephone calls made to and received from Medi-Cal applicants, beneficiaries and other interested parties by Telephone Call Center (TCC) staff during the month.

A. Response Time

The Contractor shall:

1. Report in the MQAPR:

a. The average response time, in terms of the number of rings, for calls received;

b. The average number of calls in queue per TCC staff;

c. The average length of time each call remains in ‘hold’ status;

d. The average length of time each call remains ‘in queue’;

e. The number of calls referred to voice mail;

f. The average length of time taken to return all voice mail calls received;

g. The number of calls abandoned;

h. The number of calls blocked;

i. The call closure rate for issues received during initial incoming telephone calls;

2. Generate one (1) PS for each TCC response time standard that did not meet Contract requirements as specified in Exhibit A, Attachment II, Section 1.4, Telephone Call Center.

B. Contacts Made

The Contractor shall:

1. Report in the MQAPR:

a. The number of beneficiaries that were called due to not returning Choice Forms within the required time as stated in Exhibit A, Attachment II, Section 1, Customer Services;

b. The number of beneficiaries who complete a Choice Form based on the phone calls placed by the TCC staff; and

c. Identify how many telephone calls were placed to each beneficiary that was called due to not returning a Choice Form within the required time as stated in Section 1, Customer Services.

2. Generate one (1) PS for each TCC contact standard that did not meet Contract requirements as specified in Exhibit A, Attachment II, Section 1, Customer Services

C. Accuracy

The Contractor shall:

1. Report in the MQAPR:

a. The accuracy of all incoming and outgoing calls;

b. All instances in which inaccurate information was provided to applicants, beneficiaries and other interested parties;

c. The types of inaccurate information, by category, and the number of instances in which inaccurate information was provided to applicants, beneficiaries and other interested parties; and

d. A calculated population-level accuracy rate using standard inferential statistical techniques.

2. Generate one (1) PS for each TCC accuracy standard that did not meet Contract requirements as specified in Exhibit A, Attachment II, Section 1, Customer Services.

4.7.3.2 ENROLLMENT SERVICE REPRESENTATIVES PRESENTATIONS

On a monthly basis, the Contractor shall audit the presentations made by Enrollment Service Representatives (ESRs) in such a way as to assure that the audited presentations comprise an unbiased, statistically valid random sample from the population of all presentations given during the month. That sample must meet the specifications and standards found in Exhibit A, Attachment II, Section 4.5.2, Quality Assurance – Quality Management Review, and must also be drawn so as to ensure that no ESR Presentation Site goes without a QA audit for more than ninety (90) calendar days. The Contractor shall include in the MQAPR a table listing the dates on which audits were last performed for each ESR and each ESR Presentation Site. The Contractor shall be deemed to be out of compliance for sites that have gone unmonitored for more than ninety (90) calendar days. All such sites shall be clearly identified in the MQAPR table.

A. Accuracy

The Contractor shall:

1. Report in the MQAPR:

   a. The number of cases in which inaccurate information was provided to applicants/beneficiaries in the sampled presentations; and

   b. Calculate and report the inferred population-level inaccuracy rate..

2. Generate one (1) PS for each ESR accuracy standard that did not meet Contract requirements as specified in Exhibit A, Attachment II, Section 1.5.1, Customer Service – Presentation Sits.

4.7.3.3 RESEARCH

The Contractor shall draw an unbiased, statistically valid random sample from the population of all requests for assistance received by Research each month.

A. Timeliness

The Contractor shall:

1. Report in the MQAPR:

   a. The dates when each request for assistance was received by Research;

   b. The dates when responses to each request were transmitted to the requestor;

c. The number of business days that elapsed between these two dates listed above; and

4. The number of times that the response from Research exceeded the applicable requirements specified in Exhibit A, Attachment II, Section 1.6. Customer Service – Research. Each instance in which a required time limit was exceeded shall be described in detail.

2. The Contractor shall generate one (1) PS for each response that was not transmitted to the requestor within the time limits specified in Exhibit A, Attachment II, Section 1.6, Customer Service – Research.

B. Accuracy

The Contractor shall:

1. Report in the MQAPR:

a. Report the inferred population-level accuracy rate; and

b. All inaccurate responses and compile in an inaccurate response list. Each list entry shall contain a description of the nature of the reported inaccuracy.

2. Generate one (1) PS for all responses not meeting Contract standards per all applicable Contract sections.

4.7.4 HCO INFORMING MATERIALS MAILED

The Contractor shall draw an unbiased, statistically valid random sample from all informing materials mailed during the month.

A. Timeliness

The Contractor shall:

1. Report in the MQAPR:

a. The date on which each applicant/beneficiary record in the sample was received for processing in a daily new eligibles or reconciliation record. In the case of mailings generated by a applicant/beneficiary packet request, the date the request was received shall be reported;

b. The dates the informing materials generated by those data records or packet requests were received by the United States Postal Service (or other State-approved mailing subcontractor);

c. The number of business days that elapsed between these two dates; and

d. The number of cases in which the number of reported elapsed days exceeded the applicable mailing cycle time standards established in

Exhibit A, Attachment II, Section 3, Enrollment/Disenrollment and Section 2, Informing Materials. Each instance of non-compliance in the sample shall be listed in the MQAPR. That list shall identify the type of mailing that occurred (or was supposed to have occurred), and shall report the actual number of days it took to generate that mailing. The Contractor shall report the inferred population-level rate of non-compliance with mailings requirements.

2. The Contractor shall generate one (1) PS for each instance of mailing timeliness non-compliance discovered in the sample as specified in Contract requirements as specified in Exhibit A, Attachment II, Section 2, Informing Materials.

B. Accuracy

The Contractor shall determine whether the packet assembly algorithms used accurately assembled the correct packet types, and that the packet contents accurately reflect the corresponding control binder documents.

The Contractor shall:

1. Report in the MQAPR:

   a. The number of beneficiaries who were sent the wrong type of informing packet. Each such error will be listed and the nature of the error fully described. In addition, a population-level incorrect packet mailing rate shall be inferred and reported; and

   b. The accuracy of the contents of each informing booklet and informing packet as compared to the applicable approved Control Binder. The number of errors discovered in the sample shall be reported, and a population-level error rate inferred and reported.

2. Submit one (1) PS for each packet error discovered in the sample as specified in Contract section Exhibit A, Attachment II, Section 2, Informing Materials,

4.7.5 ALL OTHER OPERATIONAL AREAS NOT REQUIRED TO BE MONITORED AND REPORTED EACH MONTH

The Contractor shall:

A. Draw an unbiased, statistically valid random sample from the population of all operational areas for which monthly QA monitoring is not required under the terms of this Contract section. The method used to draw this sample shall be consistent with specifications contained in CDHS-approved QA Plan;

B. Perform a QA audit on each operational area in the sample in keeping with the QA audit plans contained in CDHS-approved QA Plan;

C. The results of each audit performed under the terms of this section, shall be

reported in the MQAPR, using the reporting specifications contained in CDHS-approved QA Plan. That plan shall provide for clear identification of the applicable pass-fail threshold, of the score obtained, and the resulting outcome (pass or fail);

D. All required PSs shall be generated and submitted to CDHS; and

E. All QA audits, whether performed on an area subject to required monthly audits, or on an area included in the random sample described in this subsection, shall be precedent-to-payment. Any audit that reveals a failure to exceed the applicable State-approved pass-fail threshold shall automatically place into operation the precedent-to-payment process described in Exhibit B-1, Special Payment Provisions of this Contract.

4.8 SPECIAL QUALITY ASSURANCE STUDIES

The Contractor shall perform special QA studies whenever directed to do so by CDHS. These studies shall not exceed twelve (12) per Contract year. The Contractor shall develop the study design and methods and submit them for State approval within seven (7) business days of receipt of the study request from CDHS. The Contractor shall complete the study as directed and forward the findings to CDHS within forty-five (45) calendar days of request.

4.9 AVAILABILITY TO CDHS

The Contractor shall:

A. Provide CDHS with the means to measure overall staff and system performance for various operational processes. In most cases, this requirement can be fulfilled by providing CDHS with the Contractor's QA protocols and tools. Where no QA protocols and tools exist, the Contractor shall assist CDHS in developing the needed measures; and

B. Upon request, provide CDHS with access to the working papers and used in the production of QA reports

4.10 CHANGE SUPPORT SYSTEM

The Contractor shall develop and maintain a change support system that shall be comprised of a data warehouse and an executive information portal. It shall provide any State-designated staff person timely access to information from their desktop computers, in order for CDHS staff to make informed program decisions and review impact of previous program or system modifications.

Data accessible through the change support system shall include encounter and enrollment data elements as required by CDHS.

A change support system meeting shall be held at least once a month, more often if necessary, to discuss with State staff all changes that may be made to the HCO Program Operations, including but not limited to policy and procedures, and to the HPE System.

4.11 HCO PROGRAM OPERATIONS POLICY AND PROCEDURES MANUAL

The Contractor shall provide CDHS with a HCO Program Operations Policy and Procedures Manual covering all HCO Operations within this Contract.

Each policy and procedures manual shall be updated or developed, as needed per changes made to policies and procedures used. Each new or revised manual shall result in a deliverable requiring written State approval.

A. The manuals shall include, but not be limited to, a description of the:

1. Contractor's procedures for the entire HCO Operation;

2. Contractor's procedures for the entire operation of the HCO processing system;

3. Existing procedures for the Contractor's Operation of the Systems and manual processes.

B. In connection with each manual, the Contractor shall:

1. Attest whether the existing procedures are adequate for the Contractor to accomplish all contractual responsibilities;

2. Attest whether any modification of existing development of new, or consolidation of existing procedure manuals is necessary; and

3. State, in detail, how the proposed modifications shall meet requirements of this Contract.

C. Upon State approval of the Contractor's HCO Program Operations Policy and Procedures Manual, the Contractor shall:

1. Utilize the manual to make any needed modification to existing operating procedures and document its manual procedures in new or updated procedure manuals. Each new or update manual shall reflect any new or changed requirements for HCO Program Operation included in this Contract.

2. Include appropriate summary pages indicating the changes made to the existing manual.

3. Deliver on a flow basis, for State written approval, such new and revised procedures and manuals.

D. Any changes to existing procedures shall be transparent to system users and be approved, in writing, by CDHS prior to implementation.

E. The procedures and manuals shall be cross referenced to this Contract and other applicable State directives.

F. The Contractor shall ensure that:

1. The manuals are submitted to CDHS on a flow-basis, in a reasonable and orderly manner;

2. State staff are trained in the use of manuals;

3. Twenty (20) copies, or fewer if specified by CDHS, of approved manuals are distributed to State users at no cost to CDHS as directed by CDHS; and

4. The Contractor follow these operations and procedures when operating the HPE System and all Contractor responsibilities.

G. Provide to CDHS or to a contractor retained by CDHS, access to the HPE System for monitoring, reviewing, and testing of the Contractor's HCO Operations. The Contractor shall document and maintain the various methods, processes and procedures for this access.

4.12 MEDI-CAL POLICY MATERIALS QUALITY ASSURANCE

The Contractor shall establish a comprehensive quality assurance system to ensure that all Contract requirements are met; production and development problems are identified and corrected in a timely manner; and that State's needs are met. All vendors and subcontractors of the Contractor that perform this work shall comply with the QA system.